

Universidad de Iberoamérica Costa Rica

Default Prevention and Management: A Plan for Student and School Success

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Section I: Overview

Universidad de Iberoamérica in Costa Rica is committed to promoting student's success by providing integral healthcare education to our students, while at the same time helping them achieve and demonstrate financial responsibility through repayment of the funds they borrowed to finance their education.

This document identifies the tools we use to promote students' financial success by increasing retention and reducing student loan delinquency and default. Our Default Prevention and Management Plan is based on guidance provided by the United States Department of Education (ED) via Dear Colleague Letter (DCL) GEN-05-14, and includes the following sections:

Default Prevention and Management Activities.

Entrance Counseling

Financial Literacy for Borrowers

Communication Across Campus

Exit Counseling

Timely and Accurate Enrollment Reporting

NSLDS Date Entered Repayment (DER) Report

Late Stage Delinquency Assistance (LSDA)

Loan Record Detail Report (LRDR) Data Review

Analyze Defaulted Loan Data to Identify Defaulter Characteristics

Academic Curricular Adaptation

Section II: Early Stages of Enrollment

In order to promote a default prevention and management our University incorporates default prevention and Management activities into their operations. We undertake these activities as

early as during student enrollment to reduce the incidence of default, the Academic Department from each faculty refers students to Student Life Department and then to Academic Unit of Quality Department.

2.1 Entrance Counseling

During entrance counseling our financial aid department provides first time borrowers of Direct Loan program counseling in the following topics: Master Promissory Note (how it works), importance of loan repaying, consequences of default, sample monthly repayment and financial literacy. At the same time, we collect as much contact information about borrowers as possible.

All students that qualify to request US federal Direct loans must complete entrance counseling. The students complete the entrance counseling by signing in the web page www.studentLoans.gov .

Students and parents must complete a Direct Loan Master Promissory Note (MPN) each academic year that he/she receives a Direct Loan. This applies even if the student or parent has previously signed a MPN to receive Direct Loan Program loans at other schools. There are two types of MPNs – one for students who will receive Direct Subsidized Loans and/or Direct Unsubsidized Loans and the other for graduate/professional students and parents who will receive Direct PLUS Loans. The MPN is the legal document through which the student or parent promises to repay his or her Direct Loan and any accrued interest and fees to the Department. It also explains the terms and conditions of the loan. The students or parents complete the MPN by signing in the web page www.studentLoans.gov

Once the student successfully completes their Entrance Counseling and the Master Promissory Note, an electronic confirmation will be sent to Universidad de Iberoamérica.

2.2 Financial Literacy for Borrowers

Universidad de Iberoamérica also provides borrowers with information such as: their income potential, counseling at different stages of enrollment, interactive tools to manage debt, repayment options, loan service contact information, default prevention assistance on campus and introduction to NSLDS for Students. We made this possible through counseling material, resources and electronic newsletters to email accounts at enrollment, graduation and withdrawal.

Universidad de Iberoamérica provides the following financial literacy tools and services for our students:

National Student Loan Data System (NSLDS) to help them determine their loan servicer, loan balance and loan status.

We print and review the NSLDS loan information for each entering student to verify: loan balance, loan status, loan aggregates and communicate to the student any discrepancy that may be in the report. The students have the option to apply for Deferment if they have a previous loan.

Educational financial literacy tools are found in the U.S. Department of Education web page www.studentLoans.gov where they can find information about:

- Making Payments
- Loan Servicers
- Repayment Plans
- Loan Consolidation
- Deferment and Forbearance
- Forgiveness, cancellation and discharge
- Resolving disputes.

Career information, occupation profiles that describe what they do and work environment, may be found at The United States Department of Labor, Bureau of Labor Statistics at www.bls.gov

2.3 Early Identification and Counseling for Students at-Risk

Universidad de Iberoamérica assists students at risk by offering:

- Standards of Academic Progress: provided to students who have failed a course. Students receive tutoring services and specific support services to ensure academic success in their educational goals. We maintain an intervention system to alert students of their academic weaknesses so that corrective measures can be implemented. Student Life Department refers all students with low grades to Academic Unit of quality Department to support them with academic sessions.
- Academic remediation is available to provide support and intervention services to assist students in achieving scholastic success.
- Our Student Services Department is available to advice students with concerns related to academic or personal barriers affecting their ability to succeed. Student's Life Department supports all students emotional and academic process with individual attention.
- Our Student Services Department conducts a Mandatory Orientation to all entering students. Financial Aid Department gives information about the Federal Loan Programs, rules and regulation disbursement and schedules is given as well. We also go over our school grading system, and information about the Campus and Costa Rica in general.
- At the beginning of each academic year, it is required that students visit a counselor and the Financial Aid Department to analyze their academic progress and verify if they meet the financial aid requirements. If a student does not comply with the satisfactory academic progress he/she is placed on probation.

2.4 Communication

Our staff in our Financial Aid Department maintains continues communication with students. While communicating information across campus is mandatory, communicating additional information is recommended. To promote success, information regarding borrowers' academic

progress, enrollment status, cost of attendance (COA), satisfactory academic progress (SAP), disburse funds and authorize payments and others is accurate and timely provided to students.

Our school utilizes the following methods to ensure effective communication:

- Our policies relating to Satisfactory Academic Progress can be found in both the Federal Loan section of the student handbook and in the student portal.
- Program Instructors and Student Services communicate regularly to ensure students are complying with attendance and academic policies.
- Director, Register Office and Accounting Office of Universidad de Iberoamérica are informed of any students failing to comply, who are then placed on probation, or are eligible for administrative withdrawal by Financial Aid Coordinator.

2.5 Default Prevention and Retention Staff

Universidad de Iberoamérica has dedicated staff which has proven to be invaluable in establishing and maintaining working relationships with borrowers from early in the students' experience through repayment.

Our Financial Aid Services Coordinator is responsible for developing, maintaining and implementing our school's default prevention and management plan.

Our default prevention and management effort is led by:

- Viviana Sánchez, Financial Aid Services Coordinator,
- Silvia Rojas, Register Office Coordinator
- Krissia Leiva, Financial Officer Director

Our default prevention and management team meets each term. Our team evaluates its progress based on the results of our cohort default rate calculation in relation to underlying economic conditions, student body makeup, and other factors that affect the calculation of our cohort default rate.

Section III: Late Stages of Enrollment

In order to ensure borrower and school's success at late stages of enrollment, we use the following Exit Counseling tools.

3.1 Exit Counseling

During Exit Counseling, default prevention and retention staff counsel students on repayment plans and choices that fit the borrowers' needs. They also clear up any misunderstandings students have about their loan obligations and re-emphasize the consequences of default. Exit Counseling is keystone to default prevention and is mandatory.

All students with US Federal loans must complete the Exit Counseling by www.studentloan.gov.

3.2 Withdrawals

Borrowers who may withdraw prior to completing their academic programs are at the highest risk of default and are identified while still on campus through Register Office and Financial Aid Office. This early identification reduces the number of defaulted loans.

The steps we take with borrowers that may withdraw without notice are clearly defined in the student handbook.

Our School withdrawal policy applies to all regular students.

Excessive absenteeism or academic failure is recorded and reported to the Financial Aid Department by the Register Office.

The steps we take to provide exit counseling and other services to students who withdraw include:

Students are contacted by letter and/or e-mail and an Exit Interview is set up. During the Exit Interview, the counselor determines why the student left school and attempts to get the student to re-enroll. If the individual is a student borrower, the counselor discusses repayment options and responsibilities.

We inform students who drop out of school about their obligation to complete exit counseling by visiting www.studentloans.gov. This helps borrowers understand their repayment obligations.

3.3 Timely and Accurate Enrollment Reporting

Timely and accurate reporting of enrollment status is mandatory, to ensure timely and accurate enrollment reporting, we take the follows steps:

- Enrollment status reporting to NSLDS each term.
- We have record-keeping and reporting processes that alert us when students present excessive absenteeism or academic failure. We ask instructors to inform the Student Services Coordinator and the Financial Aid Department when students stop attending classes.
- Financial Aid Office has access to Register Office in order to confirm the enrollment of the student.

Section IV: After Students Leave School

Once students graduated, the Financial Aid Department informs repayment plans,

consolidation and choices that fit the borrowers' needs and their loan obligations and re-emphasizes the consequences of default, once again.

4.1 Maintain Contact with Former Students

We obtain information from these sources to maintain up-to-date contact information:

- Our Register Officer
- Reference information collected from the student at the time he/she requests admission, registration and entrance and exit counseling
- Updated contact information gathered before the release of copies of transcripts or diplomas

4.2 Loan Record Detail Report (LRDR) Data Review

We make a thorough examination of the draft and official CDR data to ensure that the rates are accurate and include the correct borrowers and loans.

The revision of the Loan Record Detail Report and the Cohort Default Rate is complete in a yearly basis.

Our data collection system to track and analyze students who become delinquent or default on their student loans includes the following resources:

NSLDS School Cohort Default Rate History Report: This tool provides a copy of the NSLDS Loan Record Detail Report (LRDR), which contains information on the loans used to calculate our cohort default rate.

Section V: Enhanced Entrance/Exit Counseling Tools

In addition to complying with the applicable requirements in 34 CFR 682.604, 34 CFR 685.304, 34 CFR 668.165 and 34 CFR 668 Subpart D, the Department recommends that entrance and exit counseling also include the following:

5.1 Requests for Borrower Information

Universidad de Iberoamérica uses the Entrance and Exit counseling to obtain extensive information regarding cell phone numbers and email addresses for borrowers and for family members to contact the borrower in the future.

During orientation, we also gather additional information about the borrower and the borrower's family as emergency contact.

5.2 Information about Repaying the Loan

Our Loan repayment educational tool is: www.studentloans.gov, repaying your loan

We introduce our students to the National Student Loan Data System (NSLDS) to help them determine their loan servicer and/or loan balance. At the time of exit counseling, we explain the borrowers grace period and provide them with a projected first payment due date.

5.3 Reminders about Personal Financial Management and Title IV Loans

We communicate our borrowers the importance of keeping in touch with their lender/service and inform them of any address or phone changes.

We introduce our students to the National Student Loan Data System (NSLDS) to help them determine their loan servicer and/or loan balance. We let borrowers know that if they are having trouble making their payments, they should contact their lender/servicer, as there are options available to help them.

Section VI: Tools and Activities for Schools

Financial Aid Department uses the following counseling tools to aid students with their Loan as recommended by US Department of Education

6.1 Loan Counseling Tools

We access to the following loan counseling tools recommended by ED:

Students and Counselors

<http://www.studentaid.ed.gov>

The Student Guide and NSLDS for Students

<http://www.studentaid.ed.gov>

How much will it cost?

<http://nces.ed.gov/ipeds/cool/>

<http://www.dlssonline.com/tools/search.asp> (for Direct Loan Borrowers)

How will I pay for it?

http://studentaid.ed.gov/students/publications/student_guide/index.html

Will I make enough money in my chosen occupation to repay student loans I receive?

<http://www.bls.gov/search/ooah.asp?ct=OOH>

<http://data.bls.gov/PDQ/outside.jsp?survey=nc>

Repaying Your Student Loans

http://www.studentaid.ed.gov/students/publications/repaying_loans/index.html

Ombudsman Office

<http://www.ombudsman.ed.gov>

Ensuring Student Loan Repayment Best Practices for Schools

<http://www.ifap.ed.gov/eannouncements/0119stuhbkbestprectice.html>

SFA Assessments for Schools

<http://www.ifap.ed.gov/IFAPWebApp/qualityassurance/SFAAssessment.jsp>

Mapping Your Future

<http://www.mapping-your-future.org>

Jump Start Coalition for Personal Financial Literacy

<http://www.jumpstart.org>

6.2 Enrollment Reporting and Data Accuracy

We use the following enrollment reporting and data accuracy tools recommended by ED:

NSLDS Enrollment Reporting Guide, formerly SSCR User's Guide

<http://www.ifap.ed.gov/nsldsmaterials/010904NSLDSEnrollRepGuide.html>

NSLDS Date Entered Repayment Report, School Repayment Information Loan Detail Report, and Enrollment Reporting Summary Report

<https://www.nslsdfap.ed.gov>

NSLDS Reports, requesting and formatting questions

<https://www.nslsdfap.ed.gov> Reports Tab

NSLDS User ID

CPS/WAN Technical Support 1-800-330-5947

NSLDS Customer Support 1-800-999-8219

Cohort Default Rate Guide for information on challenges, adjustments, and appeals

<http://ifap.ed.gov/DefaultManagement/DefaultManagement.html>

6.3 Default Prevention

We use the following default prevention tools recommended by ED:

FSA Assessments

<http://www.ifap.ed.gov/qamodule/DefaultManagement/DefaultManagement.html>

Ensuring Student Loan Repayment Best Practices

<http://www.ifap.ed.gov/eannouncements/0119stuhbkbestprectice.html>

NSLDS Reports and Exit Counseling

<https://www.nslsdfap.ed.gov>

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NSLDS User ID

CPS/WAN Technical Support 1-800-330-5947

NSLDS Customer Support 1-800-999-8219

Late Stage Delinquency Assistance (LSDA) Guide:

For Direct Loan Schools,

Direct Loan Servicing/Schools website, accessed via COD website

<http://www.cod.ed.gov>

6.4 General Connections/Publications

Information for Financial Aid Professionals (IFAP) Library with publications, training, tools, references, laws, etc.

<http://www.ifap.ed.gov>

The Office of Federal Student Aid

<http://www.ed.gov/about/offices/list/fsa/index.html>

The Student Guide

<http://www.studentaid.ed.gov>

NSLDS

<https://www.nsldsfa.ed.gov> or <https://www.nsldsfa.ed.gov/secure/logon.asp>

ED Pubs, the Department of Education Online Publication Ordering System, helps you identify and order free publications from the Department. Examples of resources available at ED Pubs include the following:

- *Repaying Your Student Loans* (in English and Spanish)
- *The Student Guide*
- *Getting Ready to Pay for College*
- *Counselors and Mentors Handbook*