



## **Lorain County JVS Adult Career Center Default Prevention & Management Plan 2020**

### **Scope**

The Lorain County JVS Adult Career Center creates opportunities for students to achieve success in their careers. The Default Prevention and Management Plan provides the Adult Career Center with the activities, techniques, and tools to promote student and school success and reduce student loan defaults in the Federal Family Education Loan (FFEL) and William D. Ford Federal Direct Loan (Direct Loan) programs.

The school contracts with Wright International Student Services Default Management Services, (WISS), [www.wiss.info](http://www.wiss.info). WISS tracks, contacts and arranges payment(s) with students who have defaulted on student loans. WISS provides monthly reports on each student to the Adult Career Center.

### **WISS Procedure for Contacting Students**

#### **Step 1: Gathering Data**

The LCJVS Adult Career Center begins by sending data for students who have graduated or withdrawn and still have outstanding loans. This data can be sent online, e-mail, fax, or hard copy. For each student on the list Lorain must include:

- SSN
- Address
- Date of Birth
- Last Day of Attendance
- Name
- Telephone
- Servicer of the Loan
- Number of Loans Outstanding

References will be requested on a case-by-case basis. After this initial list is sent to WISS, LCJVS Adult Career Center continues to update WISS of recent graduated and drops with loans. In addition, if LCJVS Adult Career Center receives information from its guarantor or lender that a loan is delinquent they immediately send this information to WISS.

WISS loads each account on tracking systems. Confirmation is made with the servicer to determine the status of each student's account. The initial contact with the servicer serves to confirm the account status and collect any current information helpful in the process. Each account will be tracked until the applicable cohort period has ended. WISS keeps the accounts out of default until they can no longer harm the CDR (cohort default rate).

### Step 2: Account Assignment

Once WISS has identified a student that is past due, the student's account is assigned to a WISS representative. When a student calls on any line including the toll free number, the call is transferred to the student's own personal WISS representative.

### Step 3: Contact

When contact is made with the student, the WISS representative makes a polite introduction to assure the student that this is not a collection call. The representative discusses the student's rights, emphasizing the many alternatives that are available to them (payments, deferment, forbearance, and IBR options). Once a plan of action has been established, the representative initiates a conference call between the student, the WISS representative and the servicer of the loan. With all three (3) parties connected, the WISS representative requests that the servicer send proper forms to the student. In a majority of cases, this will be the first telephone contact between the student and the servicer.

If initial attempts at telephone contact are unsuccessful, a letter is sent introducing WISS and the representative asking the student to call us toll free. Additional telephone calls are attempted if it is believed that the number is a valid working number. All the proper deferment and forbearance forms are sent to the student with a postage paid envelope.

If the telephone number is found to be invalid or returned mail is received a "DEEP SKIP TRACE" is attempted. This includes attempts to contact, by both mail and telephone, all references provided by Lorain. In addition, WISS will access a database of billions of current and historical records that helps us locate students with old or partial information. WISS also accesses more than 98 million telephone numbers that are not included in directory assistance including millions of unpublished and cell phone numbers.

### Step 4: Follow Up

After a reasonable time, WISS confirms receipt of appropriate documents or payments processed. This is accomplished by contacting the servicer of the loan to check the account status. If the account has been successfully processed, Lorain is notified.

If the student account has not been brought current, forborne, deferred or put in an IBR, the student is contacted again and this process is repeated from STEP TWO if required. In addition, a series of letters are sent to educate the student, emphasizing the desire to assist the student and stressing his or her rights and responsibilities. WISS will continue to call, send letters and skip trace the students until WISS can help them. WISS does not limit the number of calls or letters and WISS will not quit until the student is current or defaults.

## **School Strategies to Prevent Student Default and/or Aid in the Collection of Outstanding Loans**

LCJVS Adult Career Center offers financial literacy information through a combination of counseling, written and electronic publications, and the following resources:

- Estimate of required monthly payments on the borrower's loan balance
- Calculators to help estimate and manage debt
- Loan servicer information
- Contact information for delinquency and default prevention assistance on campus
- U.S. Department of Education publications, i.e. "Repaying Your Student Loans"

Entrance Counseling: All students are required to complete an online entrance counseling session prior to their student loans being certified at [www.studentaid.gov](http://www.studentaid.gov). Information about loans and required counseling is distributed during a financial aid appointment. Financial aid information regarding signing of the Master Promissory Notes, Entrance and Exit Counseling, interest rates, loan repayment, loan servicers, consequences of default, attendance policy, satisfactory academic progress policy, and withdrawing early from the educational program are additionally provided in the Student Handbook. The Student Services Coordinator confirms/prints confirmation of the student completing the entrance counseling and signing of the Master Promissory Note and places it in the student's file.

Exit Counseling: All students are required to complete online exit counseling at [www.studentaid.gov](http://www.studentaid.gov). Students may not receive their completion portfolios unless exit counseling is completed. The Student Services Coordinator provides a hand-delivered letter to each student after their second disbursement of aid to inform students of the federal requirement of exit counseling, a snapshot of loan(s), and servicer contact information. If the student fails to do exit counseling on their own time, the Student Services Coordinator will pull the student from class to complete online in his/her office. Students are referred to the "Exit Counseling Guide for Direct Loan Borrowers" online or can request a hard copy from the Student Services Coordinator.

LCJVS Adult Career Center reports enrollment information to Federal and State organizations and loan servicers as required by regulations. Enrollment information is reported and updated on the National Student Loan Data System (NSLDS) website.

LCJVS Adult Career Center reviews the enrollment information on the NSLDS website to report any changes or corrections to borrowers' information at least every 60 days. The school compares the student records from NSLDS to institutional records to determine if any corrections are required to assure that data is accurate so that borrowers enter repayment in the correct cohort year, and the school receives accurate cohort default rates.

Early Stage Delinquency Assistance (ESDA) begins at the time of separation or early in the grace period. This is a highly focused effort by LCJVS Adult Career Center, WISS, lenders and guarantors to assist borrowers getting ready to enter into repayment. When possible, the school provides further loan counseling, financial literacy education, and support to help decrease the chances of later loan default.

Late State Delinquency Assistance (LSDA) is used to assist WISS and loan servicers who have lost contact with some borrowers. The school provides recent contact information, if available, as requested by lenders and loan servicers. The school can serve as a liaison between delinquent borrowers and WISS through personal contact with former students, when possible, to let them know there are repayment options and help is available for them.

LCJVS Adult Career Center collects and maintains student contact information throughout enrollment. This includes home and cell phone numbers, e-mail addresses, names and phone numbers of family and/or friends. Students are asked to update contact changes as soon as possible with the Adult Career Center office. The school continues to work with and provide requested information to lenders, WISS, and loan servicers to identify delinquent and hard-to-reach borrowers to assist with repayment options and obligations.

LCJVS Adult Career Center examines the draft and official Cohort Default Rate (CDR) data to ensure that the rates are accurate and include the correct borrowers and loan amounts.

LCJVS Adult Career Center continues to work with WISS to improve student default rates.

### **Annual Review, Evaluation, Revision and Availability of Plan**

All plans are reviewed annually to ensure their alignment with the stakeholders' needs and feedback. Updated plans are shared with members of the Institutional Advisory Committee and with staff and students (as applicable) at their respective orientation sessions. Copies of plans are available on the Adult Career Center office.