

Default Management Plan

Purpose:

The purpose of this default management plan is to ensure the school's default rates remain within the percentage required by the Department of Education and the Council on Occupational Education.

Objective: PC AGE staff will follow Regulatory guidance and work with the default management company to keep default rate within the guidelines.

Default Rate Goal: PC AGE goal is to keep its 3-year default rate at 12% or below and will continue to evaluate the rates periodically. We will achieve this goal by keeping contact with all graduates as well as drop out students.

Policy on Default Management:

PC AGE policy on Default Management and Prevention follows regulatory guidance including: entrance counseling and exit counseling for borrowers, reporting timely and accurate enrollment information to the U.S. Department of Education (the Department), and sharing satisfactory academic progress information across campus. The services of third party default management company "Wright International Student Services" (WISS) is utilized to track the students loans.

Procedure:

1. A Financial Aid Representative meets with qualified borrower
 - a) to present his/her budget and explain the loan program and offer other loan alternatives, if applicable.
 - b) during entrance counseling, will explain how the master promissory note works, emphasize the importance of repaying the loan, describe the consequences of default, and show borrowers sample monthly repayment amounts. In addition, to collect contact information about borrowers to facilitate future contact, if needed. (Student Data Form is used)
 - c) to provide his/her loan documentation package that includes The Borrower's Rights and Responsibilities Statement, Plain Language Disclosure, a copy of the Master Promissory Note.
2. Timely Reporting of changes in Enrollment status is done
 - a) By one designated Financial aid Representative who updates NSLDS database every even month.
 - b) By the Bookkeeper who submits a monthly report to WISS for all graduates and withdrawal students.
3. Exit Counseling
 - a) All graduating/ Withdrawal students will attend exit counseling session with the Financial Aid Representative which will explain in full the grace period, repayment plans

and clear up any misconceptions students may have about their loan obligations and re-emphasize the consequences of default. Thorough exit counseling is a cornerstone of default prevention and is mandatory..

b) All students who graduated/withdrawal/dismissed will be informed through email or mail regarding exit counseling, if it was not done in person to remind them to complete Exit Counseling and repayment of their student loans.

4. WISS monitors the loans during the grace period to ensure that they identify that student in its correct cohort year. WISS monitors student loan portfolio and delinquency reports from each of the DOE servicers: Navient, Great Lakes, Fed Loan Servicing, Nelnet, Ed Financial, Granite State, OSLA, and Mohela by loading each account on their tracking systems. Each account will be tracked until the applicable cohort period has ended.

5. Monthly WISS and NSLDS Reports (every even month) are cross checked by the Director of Compliance. Default rates are analyzed by WISS and data can be accessed or just call WISS Representative.

Person(s) Responsible: Director of Compliance, Financial Aid Personnel in all campuses, Director Career Services

Evaluation and Feedback:

Every even month, NSLDS report is received from the US Department of Education and is reviewed and updated by the Financial Aid Department within 15 days. Director of Compliance crosschecks NSLDS reports and WISS Monthly report. This school activity ensures that borrowers receive their full grace period, and further ensures that contacts from the WISS such as correspondence and telephone calls occur in the appropriate timing and sequence.

WISS counsels on appropriate action like forbearance or deferment to avoid default. WISS has a website portal that the school can login at any time and track their school's cohort default rate. The reporting on the website provides the students that have defaulted, which students are still being worked and can default and affect the school's cohort default rate.

During the grace period, completers/borrowers are continually advised on the importance of loan repayment. The Director of Career Services and Career Advisors facilitate communications with completers and non-completers/borrowers until employment is secured. Completer employment status is reported to the Director of Compliance on a monthly basis to support default management efforts.

WISS reports are reviewed by the Director of Compliance and presented to the President and School Director. Default rates are shared with staff and Advisory Committee. The President evaluates the plan and all data on annual basis and presents Default rate at an annual Campus Effectiveness meeting. Current plans are posted on the school's website.