

Title IV Default Management Plan

Scope:

This scope of the Default Management Plan is to provide activities, techniques, and tools to promote student and school success and reduce student loan defaults in the Federal Direct Loan program.

Major Activities:

PC AGE follows department 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 campuses. The services of third party default management company “Wright International Student Services” (WISS) is utilized to track the students’ loans.

The goal is to keep its 3-year default rate at 12% or below and will continue to evaluate the rates periodically.

1. Entrance Counseling:

- a) A Financial Aid Representative meets with a qualified borrower to present his/her budget and explain the loan program and offer other loan alternatives, if applicable. During entrance counseling, he/she 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.
- b) 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. Communication Across Campuses:

Timely communication among Student services, financial aid and accounting teams ensures

- a) the right aid is getting to the right student,
- b) accurate and timely reporting of borrowers’ enrollment status (NSLDS)
- c) and satisfactory academic progress.

3. Exit Counseling

- a) All graduating/ Withdrawal students will attend exit counseling sessions 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/withdrew/dismissed will be informed through email or regular mail regarding exit counseling, if it was not done in person to remind them to complete Exit Counseling and repayment of their student loans. These activities will ensure more knowledgeable, responsible borrowers, and result in fewer defaulters as well.

4. Third Party Servicer (WISS)

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, FedLoan 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. Data Collection:

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 by contacting a WISS Representative.

Evaluation of Plan:

Every other month, an 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. Completer employment status is monitored by the Director of Compliance on a monthly basis to support default management efforts.

PC AGE undergoes a yearly compliance audit wherein the Auditor requires the school to provide its recent Cohort Default rates. This is a very important factor in audit as it manifests the administrative capability of the school to participate in the Direct Loan and Pell Grants.

PC AGE has been consistent in delivering default rates acceptable by the standard of the US Department of Education.

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

Stakeholders:

Director of Compliance, Financial Aid Personnel in all campuses, accounting personnel.