

CONTRA COSTA COLLEGE OFFICE OF FINANCIAL ASSISTANCE



CONTRA COSTA COLLEGE

Default Management: A Plan for Student Success

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Default Management: A Plan for Student Success

INTRODUCTION

This plan will outline the activities, techniques, and tools that the Contra Costa College (CCC) Office of Financial Assistance (OFA) plans to utilize in its communication strategies with students who borrow Federal Direct Student Loans at CCC. The goal is to promote student success by increasing retention and reducing student loan defaults.

Although all schools are required to follow regulatory guidance as it pertains to entrance counseling and exit counseling, the following plan will include continued, monthly services for students in every stage of the loan borrowing cycle, including:

- ✓ Entrance Counseling
- ✓ Ongoing Financial Literacy
- ✓ Exit Counseling
- ✓ Grace Period
- ✓ Early Repayment
- ✓ Early-Stage Delinquency
- ✓ Late-Stage Delinquency

This will help both the student and CCC avoid the consequences of default. Student Loans are considered in default after 270 days without payment.

Consequences of default for student loan borrowers:

- ✓ Collection fees and capitalized interest
- ✓ Long-term damage to credit rating
- ✓ Wage garnishment and federal tax refunds seized
- ✓ Loss of eligibility for additional student aid

Consequence of default for schools:

- ✓ Loss of participation in federal student aid programs

DEFINING THE LOAN BORROWER STAGES

The following is a definition of each stage of the loan borrowing process.

Entrance Counseling: regulations require that first-time borrowers of Direct Student Loans receive Entrance Counseling before a loan can be certified and disbursed.

Ongoing Financial Literacy: the continued support that student loan borrowers will receive throughout the semester(s) that they are receiving student loans.

Exit Counseling: regulations require that schools provide Exit Counseling to Direct Student Loan borrowers when they graduate, or after they have left school at least half-time.

Grace Period: the 6-month period after a student loan borrower graduates or otherwise leaves school at least half-time, and before the student enters repayment.

Early Repayment: up to the first 30 days after a student enters repayment.

Early-Stage Delinquency: when a student is up to 89 days delinquent on their student loan payments.

Late-Stage Delinquency: when a student is between 271 and 360 days delinquent on their student loan payments.

EDUCATIONAL CREDIT MANAGEMENT CORPORATION (ECMC)

CCC is currently contracted with ECMC to provide default management services to CCC student loan borrowers who are between 90 and 270 days delinquent on their student loan payments. Once a student reaches 90 days of delinquency, they are automatically referred to ECMC for default management activities. ECMC is responsible for tracking and contacting students during this time. As a result, CCC's plan does not include any action plans for students who fall within this group of referred students.

ENTRANCE COUNSELING

CCC conducts the following Entrance Counseling procedures for each new student loan borrower:

Entrance Counseling is required before a student can receive the first Direct Subsidized Loan or Direct Unsubsidized Loan as an undergraduate. (CCC does not participate in the Direct PLUS Loan Program).

If a student has not previously received a Direct Loan or Federal Family Education Loan (FFEL), the Federal Government requires the student to complete entrance counseling to ensure the student understands the responsibilities and obligations the student is assuming.

If a student is completing the entrance counseling to borrow a loan as an undergraduate, then the entrance counseling will fulfill counseling requirements for Direct Subsidized and Unsubsidized Loans.

First time borrowers attending CCC are referred to StudentLoans.gov to complete the Entrance Counseling. The information is provided through a flyer that is attached to the Loan Request Form. The form is given to a student at the Financial Aid front counter at the time the student is pre-screened to determine if the student meets eligibility requirements.

The entrance counseling takes approximately 20-30 minutes and must be completed in a single session. The student will need the Federal Student Aid (FSA) ID. If the student is a new user or has forgotten the FSA ID, there is a link to assist the student in retrieving the ID. In addition, the student will need the name of the school (s) that need to be notified of the counseling completion. Once completed, the student will receive a confirmation page to view as proof of counseling completion.

ONGOING FINANCIAL LITERACY

In order to ensure that students are receiving the best information and education on financial literacy, and to better improve the Contra Costa College cohort default rate, we will schedule the following procedures to encourage students to take the best steps in meeting their financial obligations.

Financial Literacy Workshops: In collaboration with Wells Fargo, we will be holding in-person workshops throughout the fall and spring semesters. These

workshops will focus on topics related to budgeting, savings, and credit management. These workshops will launch in fall 2016.

Financial Literacy Newsletter: We will develop and distribute a financial literacy newsletter to be sent directly to loan borrowers via email. This newsletter will contain information regarding the following:

- ✓ How to look up loan servicer info and loan balances
- ✓ How to access loan calculators online
- ✓ Budgeting tips
- ✓ How to look up your credit report for free
- ✓ Credit management
- ✓ Links to our online Financial Literacy Toolkit page

The newsletter will be sent out once each semester: during the first week of December in the fall, and during the first week of May in spring. This newsletter will launch fall 2016.

Procedures for identifying students for Financial Literacy Newsletter:

1. The Student Services Coordinator will develop templates for the Financial Literacy Newsletter using Constant Contact.
2. The Student Services Coordinator will then run FMGT for CDSLS and CDSLUI to identify current year loan borrowers, as follows:

The screenshot shows the FMGT (Fund Management) web application interface. The interface includes a navigation bar with 'FMGT: Fund Management', 'Search', 'SEARCH RESULTS', 'NAVIGATION', 'FAVORITES', and 'Logout'. Below the navigation bar is the 'Colleague' logo and a search bar. The main content area is titled 'FMGT - Fund Management' and contains several form fields: 'Academic Year' (2016), 'SSN Display Option' (S - Show complete SSN), 'Summary Only' (No), 'Include Location' (Yes), and 'Generate Spreadsheet' (Yes). There is also an 'Input Saved List Name' field. Below these fields are two tables. The first table is for 'Students' with columns 'ID' and 'Name', showing rows 1 through 6. The second table is for 'Awards' with columns 'Code' and 'Description', showing rows 1 through 5 with codes CDSLS and CDSLUI.

3. This will output a spreadsheet containing student loan borrowers names, ID, SSN and award information:

	A	B	C	D	E	F	G	H	I	J
1	Award	Office	Location	ID	Name	SSN	Award Amt	Awarded	Total Xmit	Accepted
2	CDSLS	CCC	CCC	73869	Prine, Jenny Jane	!	2,250.00	2,250.00	2,226.00	2,250.00
3	CDSLS	CCC	CCC	88002	Sillemon, Demarquis Darnell	!	4,500.00	4,500.00	4,452.00	4,500.00
4	CDSLS	CCC	CCC	92783	Duncan, Rojan Dedeane	!	4,500.00	4,500.00	4,452.00	4,500.00
5	CDSLS	CCC	CCC	105092	Hives, Disraeli	!	1,750.00	1,750.00	1,732.00	1,750.00
6	CDSLS	CCC	CCC	143136	Morris, Paulette Faye	!	4,500.00	4,500.00	4,452.00	4,500.00
7	CDSLS	CCC	CCC	152777	Lee, Michelle Renee	!	1,750.00	1,750.00	1,732.00	1,750.00
8	CDSLS	CCC	CCC	175483	Rhodes, Tanika Jewel	!	4,500.00	4,500.00	4,452.00	4,500.00
9	CDSLS	CCC	CCC	191152	Paul, Bayley Marie	!	4,500.00	4,500.00	4,452.00	4,500.00
10	CDSLS	CCC	CCC	192232	Powell, Ingrid Rachial	!	1,750.00	1,750.00	1,732.00	1,750.00
11	CDSLS	CCC	CCC	194894	Phillips, Lavonda N	!	4,500.00	4,500.00	4,452.00	4,500.00
12	CDSLS	CCC	CCC	196160	Zeno, Yvette Elaine	!	3,500.00	3,500.00	3,464.00	3,500.00
13	CDSLS	CCC	CCC	207694	Singh, Mary Elizabeth	!	3,500.00	3,500.00	3,464.00	3,500.00

4. Everything but the name and ID can be deleted. Then, use Colleague to look up each student's 4cd email address.
5. Use this information to create a new mailing list in Constant Contact. Then, send the newsletter to this mailing list.

Online Financial Literacy Toolkit: We have created a web page on our site dedicated to providing students with financial literacy information. This includes videos from FA TV related to finances, and links to CashCourse, USA Funds Life Skills, wage estimators, and loan repayment calculators. Additionally, we have developed an instructional sheet to guide students on how to look up loan information (including balances and loan servicer information) on NSLDS.

EXIT COUNSELING

Exit Counseling is the school's opportunity to provide the student with essential information regarding repayment plans and other options, as well as a reminder of the consequences of default. Exit Counseling is required when a student graduates, leaves school, or drops below half-time enrollment. Exit counseling provides important information the student will need to prepare to repay the federal student loans(s).

If a student has received a subsidized or unsubsidized loan under the Direct Loan Program, the student must complete exit counseling each time the student:

- ✓ Drops below ½ time enrollment
- ✓ Graduates
- ✓ Leaves School

Exit Counseling Procedure: To determine if any student(s) have dropped below ½ time enrollment, graduated, or left school, The Office of Financial Assistance has implemented the following procedures:

1. At midterm (adjustment payment) of every term a SQL Report named “Award Disbursement Report” is downloaded. The report provides all the students that have completely withdrawn from school or have dropped to below ½ time enrollment for the current semester.
2. In addition, at the end of each semester, The Office of Financial Assistance receives a list of graduates from Admissions & Records.
3. The students contained on each of these reports are sent an exit counseling letter (see a sample of the letter in Appendix A) via U.S. Postal Service (USPS) with a brochure (“Exit Counseling Guide for Borrowers”) which provides an overview of information the student will need to successfully repay their federal student loan(s).
4. An Excel spreadsheet will be maintained on the shared drive. This spreadsheet will be used to track the successful completion of Exit Counseling and will contain the following:
 - a. Student first and last name
 - b. Student ID
 - c. The date the Exit Counseling letter was mailed to the student
 - d. The date Exit Counseling was verified as complete
5. The Financial Aid Specialist, loan processor, will check COD monthly to determine which students from the spreadsheet have/have not completed Exit Counseling.
6. Students who have NOT completed Exit Counseling will receive follow-up services as follows:
 - a. In October, December, March and May of each year, each student will receive another Exit Counseling letter via U.S. Postal Service (USPS).
 - b. This follow-up letter will also be noted on the spreadsheet.
7. Letters that are returned as undeliverable will be noted on the spreadsheet and Tracking Comments made in Colleague for tracking.

MONTHLY PLAN ACTIVITIES

The following section describes the specific activities that will take place for each student identified in each stage of loan borrowing during each month of the calendar year.

JANUARY

Grace Period: Borrowers will receive a paper letter sent via USPS when they are within the third and fifth months of their grace period. This letter will remind them to complete Exit Counseling (if they have not already done so), but will also including information regarding:

- ✓ Repayment Plan options
- ✓ Instructions on how to access the National Student Loan Data System (NSLDS) to look up loan servicer and loan balance
- ✓ Instructions on how to access loan calculators to estimate their anticipated monthly loan payment amount

How to identify students that are in their third through fifth months of grace:

1. The FA Specialist will log onto ECMC Loan Tracker Default Prevention to the Dashboard.
 - a. Choose the current year cohort first, then repeat for any future cohorts. For example, 2016 first, then 2017, and so on.

The screenshot shows the loanTRACKER™ Default Prevention dashboard. At the top, there is a green header with the text "loanTRACKER™" and "Default Prevention". Below this, a green bar displays "Welcome, Monica Rodriguez". A "Navigate" section contains several dropdown menus: "Client:" set to "Contra Costa Community ...", "Cohort Year:" set to "Cohort Year 2014", and "School/Campus:" with a checked checkbox and the value "001190".

2. From the “Portfolio Summary” pie chart, click on the area for “Grace.”

loanTRACKER™ by ECMC

Default Prevention | **Reporting**

Welcome, Monica Rodriguez

Navigate | **Big Pic**

Client: Contra Costa Community ...

Cohort Year: Cohort Year 2016

School/Campus:
 001190

Current CDR	Projected CDR	Total Defaults Allowed	Cures Projected	Cures Required
0%	15.28%	20	14	1

Portfolio Summary

Layout

3. This will open a report of students on grace period. Click on the “Export” link to open the report in Excel:

Student Detail - Grace - FY16 [Export](#)

School	Id	SSN	Name	Status	Phone	Delq	Days
001190-000	16788071	XXX-XX-6553	ATCHITY, ROSEMARY	Grace Period	510-206-5738	N	0

4. Select the list and sort by the “Date Entered Repayment Column” (Column Y), Oldest to Newest.
5. Identify students whose repayment date is within the next month.
 - a. Forward this list of records to the appropriate FAII.
 - b. The FAII will use these records to mail merge the 5-Month Grace letter template to create paper letters.
6. Next, identify students whose repayment date is approximately 3 months from now.
 - a. Forward this list of records to the appropriate FAII.

- b. The FAII will use these records to mail merge the 3-month Grace letter template to create paper letters.
7. Save the report, using the naming convention [Year].GraceReport.[Date]. For example 2016.GraceReport.061616
8. Repeat Steps 1-7 with the next year cohort for which Grace records are available on the pie chart.

Early Repayment

We will identify students who are within 30 days after the start of repayment and send them an email to their personal email account (versus their CCCCD email account). This email will include information regarding:

- Repayment Plan options
- Deferment and Forbearance options
- Consequences of defaulting
- Instructions on how to access the National Student Loan Data System (NSLDS) to look up loan servicer and loan balance
- Instructions on how to access loan calculators to estimate their anticipated monthly loan payment amount
- Links to online budgeting and financial literacy tools available on our web site

How to identify students who are within 30 days after the start of repayment:

1. Log on to ECMC Loan Tracker Default Prevention to the Dashboard.
 - a. Select the cohort of the year 3 years prior. For example, in 2016, start with Cohort Year 2013. Then work forward.
2. From the “Portfolio Summary” pie chart, click on the area for “Repayment.”
3. This will open a report of students in Repayment. Click the “Export” link to open the report in Excel.
4. Select the list and sort by “Date Entered Repayment” (column Y), Newest to Oldest.

5. Identify students whose repayment date is within the next 30 days.
 - a. Forward this list of records to the appropriate FAII
 - b. The FAII will use these records to mail merge the 30 Days Repayment email template to send emails to these students.

Early-Stage Delinquency

We will identify students who are 30-45, and 60-89 days delinquent and perform the following contact:

- At 30-45 days delinquent, student will receive a paper letter to include the same information provided during Early Repayment.
- At 60-89 days delinquent, student will receive phone calls from staff to provide the same information as in Early Repayment

How to identify students who are 30-45 days delinquent:

1. In Loan Tracker, the FA Specialist will choose the cohort of the year 3 years prior. For example, in 2016, start with Cohort Year 2013. Then work forward.
2. From the “Portfolio Summary” pie chart, click on the area for Delinquent, then click the “Export” link to open in Excel.
3. From the Excel report, apply filter, then filter the “Days” column for “Between...” and choose greater than or equal to 30 and less than or equal to 45.
4. The report will now show only those students delinquent between 30-45 days.
 - a. Forward this list of records to the appropriate FAII
 - b. The FAII will use these records to mail merge the 30-45 Days Delinquent letter to send paper letters to students.
5. Repeat steps 1-4 for all forward cohort years that show Delinquent records.

How to identify students who are 60-89 days delinquent:

1. Follow steps 1-3 above, except in Step 3, change your “Between...” filter to greater than or equal to 60 and less than or equal to 89.
 - a. Forward this list of records to the appropriate FAII
 - b. The FAII will use these records to make phone calls, using the appropriate script.

Late-Stage Delinquency

We will identify students who are between 271 and 360 days delinquent and make phone calls. During these calls, students will be referred for an appointment with the Financial Aid Specialist. The message will be to encourage the students that it is not too late if they act quickly to avoid the consequences of defaulting.

How to identify students who are 271-360 days delinquent:

Follow steps 1-3 above, except in Step 3, change your “Between...” filter to greater than or equal to 271 and less than or equal to 360. Then use this report to make phone calls.

Paper letter and email templates can be found in Appendices B through E. Scripts for the phone calls can be found in Appendix F through H.

FEBRUARY

Repeat all of the activities outlined in the month of January above.

Also, the FA Specialist will review the Exit Counseling spreadsheet to record students who have and have not completed Exit Counseling.

MARCH

Repeat all of the activities outlined in the month of January above.

Also, the FA Specialist will review the Exit Counseling spreadsheet to record students who have and have not completed Exit Counseling.

Those that have not yet completed will be sent another paper letter and brochure.

APRIL

Repeat all of the activities outlined in the month of January above.

Also, the FA Specialist will review the Exit Counseling spreadsheet to record students who have and have not completed Exit Counseling.

MAY

Repeat all of the activities outlined in the month of January above.

Also, the FA Specialist will review the Exit Counseling spreadsheet to record students who have and have not completed Exit Counseling.

Those that have not yet completed will be sent another paper letter and brochure.

JUNE

Repeat all of the activities outlined in the month of January above.

Also, the FA Specialist will review the Exit Counseling spreadsheet to record students who have and have not completed Exit Counseling.

JULY

Repeat all of the activities outlined in the month of January above.

Also, the FA Specialist will review the Exit Counseling spreadsheet to record students who have and have not completed Exit Counseling.

AUGUST

Repeat all of the activities outlined in the month of January above.

Also, the FA Specialist will review the Exit Counseling spreadsheet to record students who have and have not completed Exit Counseling.

SEPTEMBER

Repeat all of the activities outlined in the month of January above.

Also, the FA Specialist will review the Exit Counseling spreadsheet to record students who have and have not completed Exit Counseling.

OCTOBER

Repeat all of the activities outlined in the month of January above.

Also, the FA Specialist will review the Exit Counseling spreadsheet to record students who have and have not completed Exit Counseling.

Those that have not yet completed will be sent another paper letter and brochure.

NOVEMBER

Repeat all of the activities outlined in the month of January above.

Also, the FA Specialist will review the Exit Counseling spreadsheet to record students who have and have not completed Exit Counseling.

DECEMBER

Repeat all of the activities outlined in the month of January above.

Also, the FA Specialist will review the Exit Counseling spreadsheet to record students who have and have not completed Exit Counseling.

Those that have not yet completed will be sent another paper letter and brochure.

APPENDIX A

Exit Counseling Letter

Dear: First & Last Name

Greetings from the Office of Financial Assistance!

Institutional Records indicates you are no longer enrolled at Contra Costa College or you have dropped below ½ time (less than 6 units). Since you have received a Federal Student Loan, you are required to complete a Student Loan Transition Exit Counseling.

To complete the online Exit Counseling:

Go to StudentLoans.gov. As of May 10, 2015 you must have a verified FSA ID (Username & Password) instead of a PIN to log in to StudentLoans.gov. **For assistance, call: 1-800-557-7394.** Once you are logged in click on “complete entrance counseling.” Complete the counseling and click on submit. You will receive a confirmation page, please copy and keep for you records.

To determine your approximate monthly repayment amount please use the loan calculator at www.mapping-your-future.org/features/loancalc.htm. On the schedule, find your approximate loan amount and read across to the applicable interest rate. This is your approximate monthly payment amount.

The enclosed brochure provides an overview of information you will need to successfully repay the Federal Student Loan that you have received. Please keep for you records.

To schedule an in-person loan counseling appointment, please contact the Loan Specialist at 510-215-3950.

Sincerely,

Office of Financial Assistance
Contra Costa College

APPENDIX B

3 Months Grace Period Paper Letter Template

[Date]

[Student Name]

[Address]

[City, State, Zip]

Dear [Student Name],

According to our records, you have graduated or dropped below half-time status. This means you have entered the grace period on your federal student loans – the time between when you leave school and make your first student loan payment, which is typically six months.

Because there has been a change in your enrollment status and you have used 3 months of your 6 month grace period, here are some steps you will want to take during this initial phase of your federal student loan grace period:

1. Gather the details about your loan(s) and what loan servicer(s) you need to pay – go to www.nsllds.ed.gov to get this information. For step-by-step instructions on how to navigate NSLDS, log onto our online Financial Literacy Toolkit: <http://www.contracosta.edu/home/student-services/financial-aid/financial-literacy-toolkit/>.
2. **Start thinking about which repayment plan you can afford – you have a choice!**
3. Contact your servicer(s) to discuss your repayment plan options and update your contact information.

Following the above listed steps will help you to avoid default and allow you to continue to be eligible to receive federal financial aid in the future. If you have questions about this information, please contact our office to schedule an appointment with the Loan Specialist.

If you are going to transfer to another school or continue your education: Contact your loan servicer(s) to request an in-school deferment. If you have unsubsidized loans, it is even more important to consider making student loan payments while you're in school to prevent interest from accruing (accumulating).

Sincerely,

Contra Costa College Office of Financial Assistance

P.S. If you borrowed private student loans, you should consult directly with your private lender regarding grace period allowances and your repayment options.

APPENDIX C

5 Months Grace Period Paper Letter Template

[Date]

[Student Name]

[Address }

[City, State, Zip]

Dear [Student Name],

Since you are nearing the end of your federal student loan grace period, you should have accounted for all of your federal student loans and received a payment schedule from your loan servicer(s) with your monthly payment amount and instructions for making payments.

If you are concerned about making your monthly payment, you may have options.

Contact your loan servicer(s) to discuss your situation. A deferment or forbearance can temporarily reduce or postpone your student loan payments!

If you have not receive a payment schedule yet, take the following steps:

1. Contact your loan servicer(s) immediately – if you do not know who your loan servicer(s) is, go to www.nslds.ed.gov to get this information.
2. If you still have concerns or need assistance, please call the Contra Costa College Loan Specialist at (510) 215-3950 to schedule an appointment.

If you are going to transfer to another school or continue your education: Contact your loan servicer(s) to request an in-school deferment. If you have unsubsidized loans, it is even more important to consider making student loan payments while you're in school to prevent interest from accruing (accumulating).

We encourage you to learn more about the repayment options available to you under the federal student loan program. For more information, visit www.studentaid.gov.

Sincerely,

Contra Costa College
Office of Financial Assistance

P.S. Remember, if you borrowed private student loans, you should consult directly with your lender regarding grace period allowances and your repayment options.

APPENDIX D

30 Days Repayment Email Template

Dear [Student Name]:

You are receiving this notice in regards to your federal student loans. According to our records, you are around 30 days into your repayment period. If you have already made your loan payment, please disregard this notice.

If you are having trouble making payments, please contact your loan servicer(s) to discuss alternative options. **A deferment or forbearance can temporarily reduce or postpone your loan payments!**

The federal student loan program also has many repayment options available. Your loan servicer(s) can work with you to find an affordable payment option for your situation, so you may want to consider switching to a more affordable payment plan.

For more information and resources, please visit the Federal Student Aid website to research an option for repayment that works for you: www.studentaid.ed.gov/sa/repay-loans.

Should you still need more assistance, you may schedule an appointment with the Loan Specialist in the Office of Financial Assistance by calling (510) 215-3950. We look forward to assisting you!

Sincerely,

Contra Costa College
Office of Financial Assistance

APPENDIX E

30-45 Days Delinquent Paper Letter Template

[Date]

[Student Name]

[Address]

[City, State, Zip]

Dear [Student Name],

Our records show that you have a payment for federal student loan that is 30 days past due. If you have already made your loan payment, please disregard this notice.

If you are having trouble making payments, it's not too late to avoid the consequences of default! If you default on your student loan you could face severe consequences:

- ✓ Damaged credit rating
- ✓ Collections fees, late fees, and attorney's fees will be added on
- ✓ Withholding of tax refunds and wage garnishments
- ✓ Loss of eligibility for federal student aid

The federal student loan program has many repayment options available. Your loan servicer(s) can work with you to find an affordable payment option for your situation. Please contact your loan servicer(s) to discuss alternative options. **You might even qualify for a deferment or forbearance, which can temporarily reduce or postpone your monthly student loan payments!** For more information and resources, please visit the Federal Student Aid website to research an option for repayment that works for you: www.studentaid.ed.gov/sa/repay-loans.

To access your loan information, including how to contact your loan servicer, log on to www.nsls.ed.gov.

Should you still need more assistance, schedule an appointment with the Loan Specialist in the Office of Financial Assistance by calling (510) 215-3950. We look forward to assisting you!

Sincerely,

Contra Costa College
Office of Financial Assistance

APPENDIX F

60-89 Days Delinquent Script

IF THE CALL IS ANSWERED:

Hello. May I speak with [BORROWER NAME]?

IF THE CALL IS ANSWERED BY THE BORROWER:

This is [YOUR NAME] from the Contra Costa College Office of Financial Assistance with a courtesy call about your student loans. We have received notice that you may be delinquent on your student loan(s). We want to make sure that you are getting your statements at [ADDRESS ON FILE] from [LENDER(S) LISTED ON NSLDS].

IF BORROWER IS RECEIVING STATEMENTS:

Let's talk about some different deferment and repayment options that might fit your situation.

*See chart on page 2

IF BORROWER IS NOT RECEIVING STATEMENTS:

Let me give you your lender's contact information. Receiving statements help keep your loan in good standing and avoid negative reports on your credit.

IF THE CALL IS ANSWERED BY A THIRD PARTY:

This is [YOUR NAME] from Contra Costa College. Is there a better way to reach [BORROWER NAME] or a better time to call?

IF YES, TAKE DOWN THE INFORMATION PROVIDED, AND LEAVE A MESSAGE:

This is a courtesy call regarding our records, I will use this information to try and contact [BORROWER NAME]. Will you ask [BORROWER NAME] to return my call at [PHONE #]. Thank you for your time.

IF NO, LEAVE A MESSAGE WITH THE 3RD PARTY:

This is a courtesy call regarding our records. Will you please have [BORROWER NAME] return my call at [PHONE #]? Thank you for your time.

IF THE CALL GOES TO VOICE MAIL:

Hello. This is [YOUR NAME] from Contra Costa College. This is message is a courtesy call regarding our records for [BORROWER NAME]. Please return my call at [PHONE #], I'll be in the office from [YOUR OFFICE HOURS]. I look forward to hearing from you. Thank you and have a nice day.

APPENDIX G

270+ Days Delinquent Script

IF THE CALL IS ANSWERED:

Hello. May I speak with [BORROWER NAME]?

IF THE CALL IS ANSWERED BY THE BORROWER:

This is [YOUR NAME] from the Contra Costa College Office of Financial Assistance with a courtesy call about your student loans. I'm contacting you because [LOAN SERVICER] has reported that your federal student loan payment is more than 270 days past due and is approaching default. Defaulting on your loans is very damaging to your credit and personal finances but it is not too late to act! Have you been in contact with [SERVICER NAME] to discuss repayment options?

IF BORROWER IS NOT IN CONTACT:

There are options to reduce your payment. I urge you to contact your servicer [SERVICER NAME] right away before your loan becomes defaulted. Please take down [SERVICER NAME] information [PHONE] and call them right away.

IF BORROWER IS IN CONTACT:

Have you selected a repayment option that will bring your loans out of delinquency?

NO REPAYMENT OPTION:

I urge you to contact your servicer again to discuss ways to reduce or postpone your payment. Please take down [SERVICER NAME] information [PHONE #] and call them as soon as possible. Thank you for your time.

IF BORROWER HAS SELECTED AN OPTION:

That is great news! If it has been more than two weeks, I would call to confirm the status of your payment request. Please take down [SERVICER NAME] information [PHONE] and call them as soon as possible. Thank you for your time.

IF THE CALL IS ANSWERED BY A THIRD PARTY:

This is [YOUR NAME] from Contra Costa College. Is there a better way to reach [BORROWER NAME] or a better time to call?

IF YES, TAKE DOWN THE INFORMATION PROVIDED, AND LEAVE A MESSAGE:

This is a courtesy call regarding our records, I will use this information to try and contact [BORROWER NAME]. Will you ask [BORROWER NAME] to return my call at [PHONE]. Thank you for your time.

IF NO, LEAVE A MESSAGE WITH THE 3RD PARTY:

This is a courtesy call regarding our records. Will you please have [BORROWER NAME] return my call at [PHONE]? Thank you for your time.

IF THE CALL GOES TO VOICE MAIL:

Hello. This is [YOUR NAME] from Contra Costa College. This is message is a courtesy call regarding our records for [BORROWER NAME]. Please return my call at [PHONE #], I'll be in the office from [YOUR OFFICE HOURS]. I look forward to hearing from you. Thank you and have a nice day.

APPENDIX H

Deferment, Forbearance and Repayment Plan Options

Common Deferment and Forbearance Options

- **In School Deferment**
 - Borrower is enrolled in school at least halftime.
- **Unemployment Deferment**
 - Borrower is unemployed or working less than full time.
- **Economic Hardship Deferment**
 - Borrower is receiving public assistance or working full time but making less than 150% of the poverty guideline for the state.
- **Education Related Deferment**
 - Borrower is engaging in a graduate fellowship, internship/residency or rehabilitation program or is teaching in a teacher shortage area.
- **Financial Hardship Forbearance**
 - At the discretion of your lender; borrower is facing financial hardship.
- **Illness Forbearance**
 - At the discretion of your lender; borrower is facing illness which prevents timely loan payments.
- **Mandatory Forbearances**
 - Your monthly payment amount is 20% or more of your monthly gross income.
 - You are performing teaching service that would qualify for loan forgiveness.
- **Military Service Deferment**
 - Borrower is serving on active duty during a war, national emergency or other military operation.

Repayment Plan Options

- **Standard**
 - This plan has a 10-year term. This plan minimizes interest while loans are repayed
- **Graduated**
 - Monthly payments begin low and increase over time.
- **Extended**
 - Must have \$30,000+ in loans, repayment term can be up to 25 yrs.
- **Income Sensitive**
 - FFELP loans only. payments are adjusted based on gross monthly income including accruing interest. Plan must be renewed every year.
- **Income Based**
 - Payments are capped at 10% of borrowers discretionary income. Term is 25 yrs, after term remaining balance is forgiven.
- **Pay As You Earn**
 - Direct Loans Only. Payments are capped at 10% of borrowers discretionary income. Term is 20 yrs, after term remaining balance is forgiven.
- **Income Contingent**
 - Direct Loans Only. Payments are adjusted annually based on income, family size and total loan amount. Term is for 25 yrs, after term balance is forgiven. amount forgiven may be taxable.