



SPRING CONFERENCE

Kansas City, Missouri

2003



Session 1

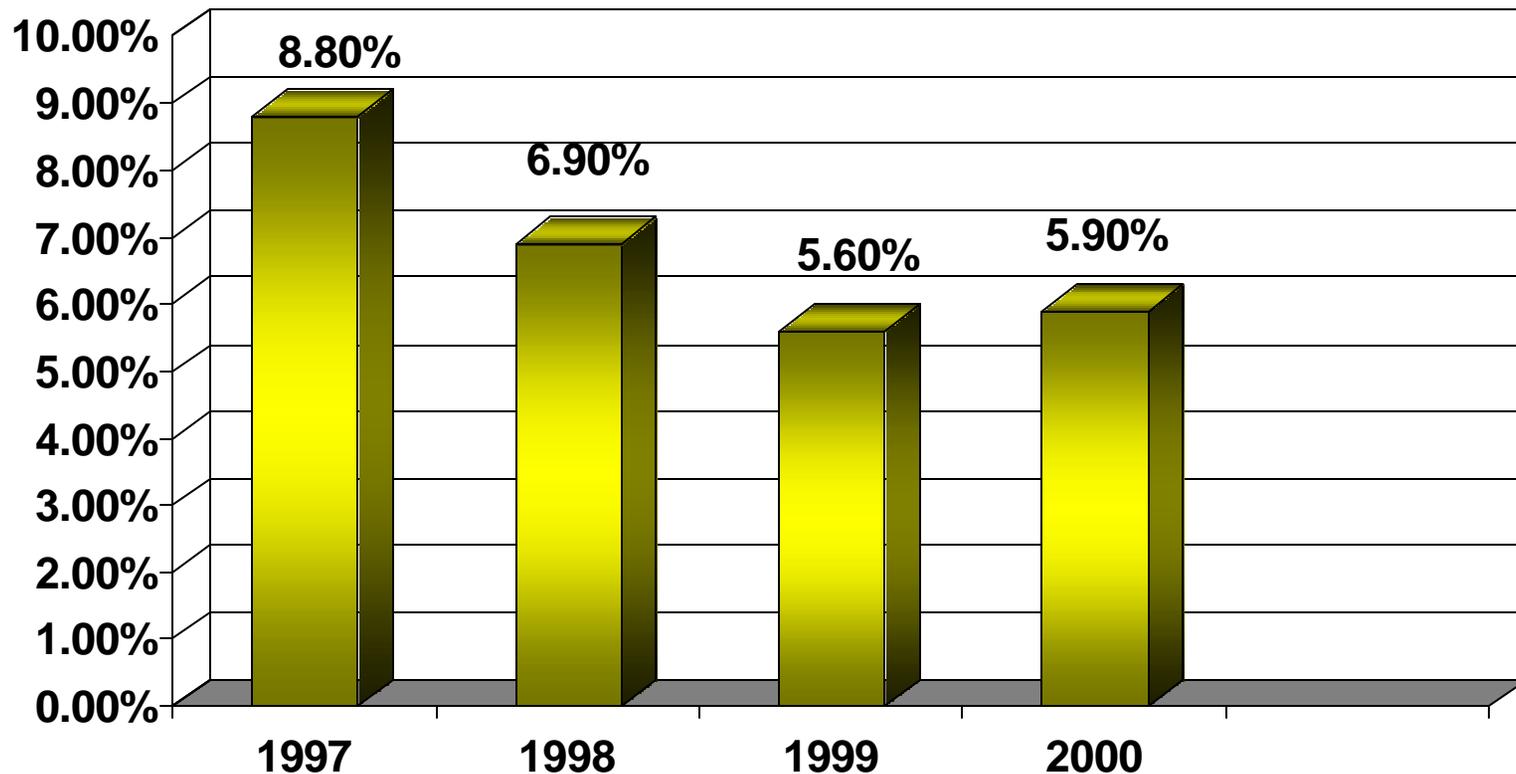
Late Stage Delinquency Assistance (LSDA)

Agenda

- Delinquency Pattern
- How Schools Can Help
- What Tools Can Make it Easy

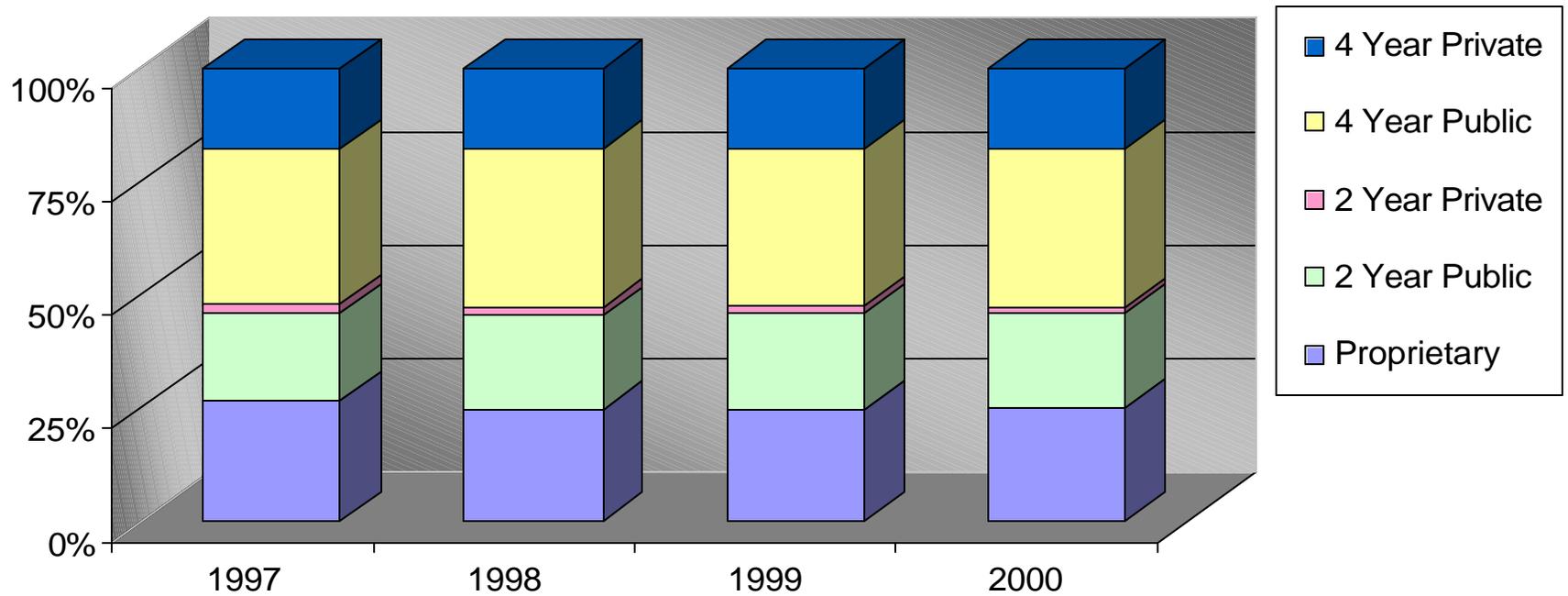
**Ben LeBorys and John Pierson
U.S. DEPARTMENT OF EDUCATION**

Official Cohort Default Rates

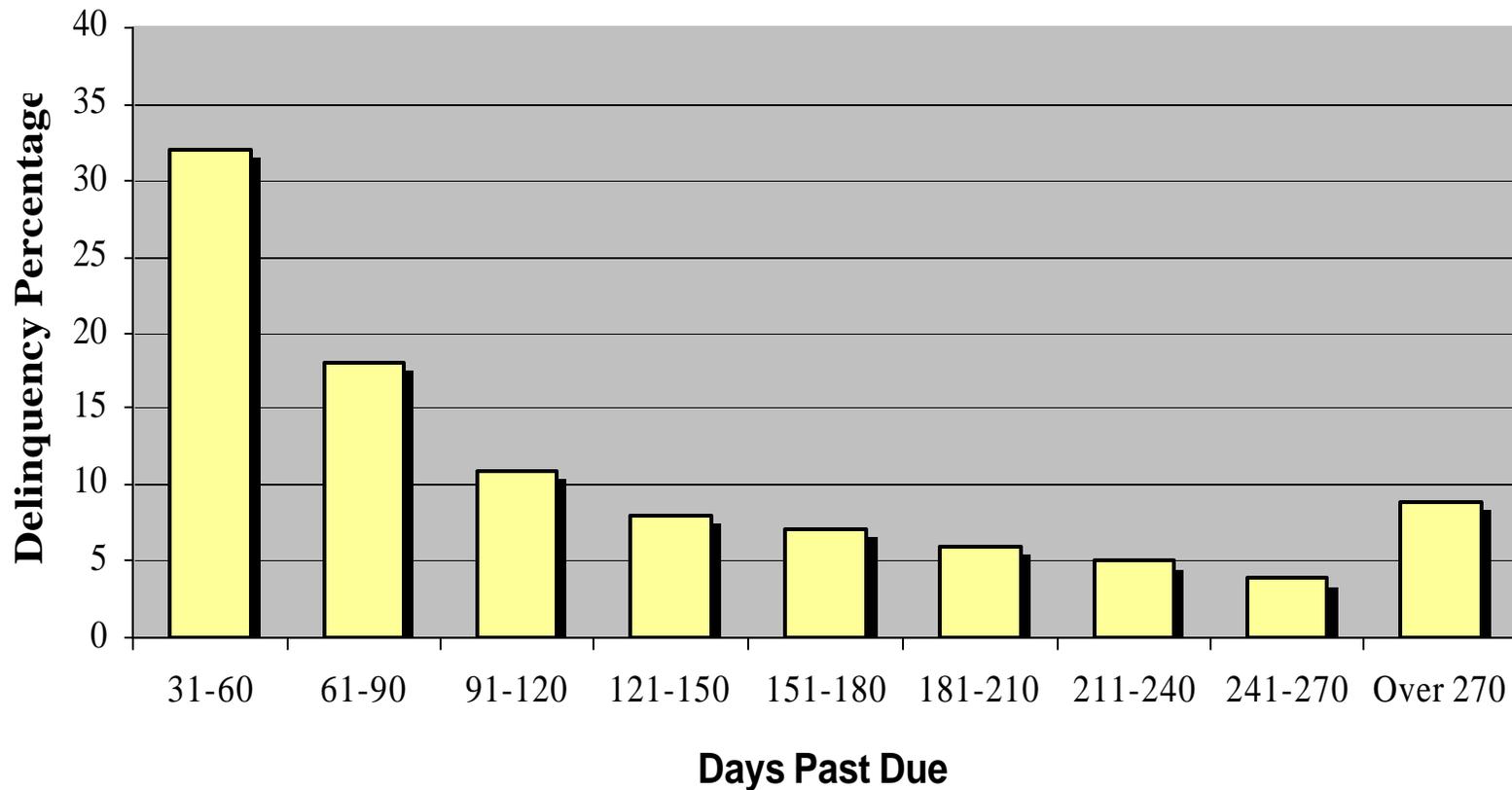


Makeup of Cohort Rate

Cohort Default Contribution by School Type



Borrower Delinquency Pattern

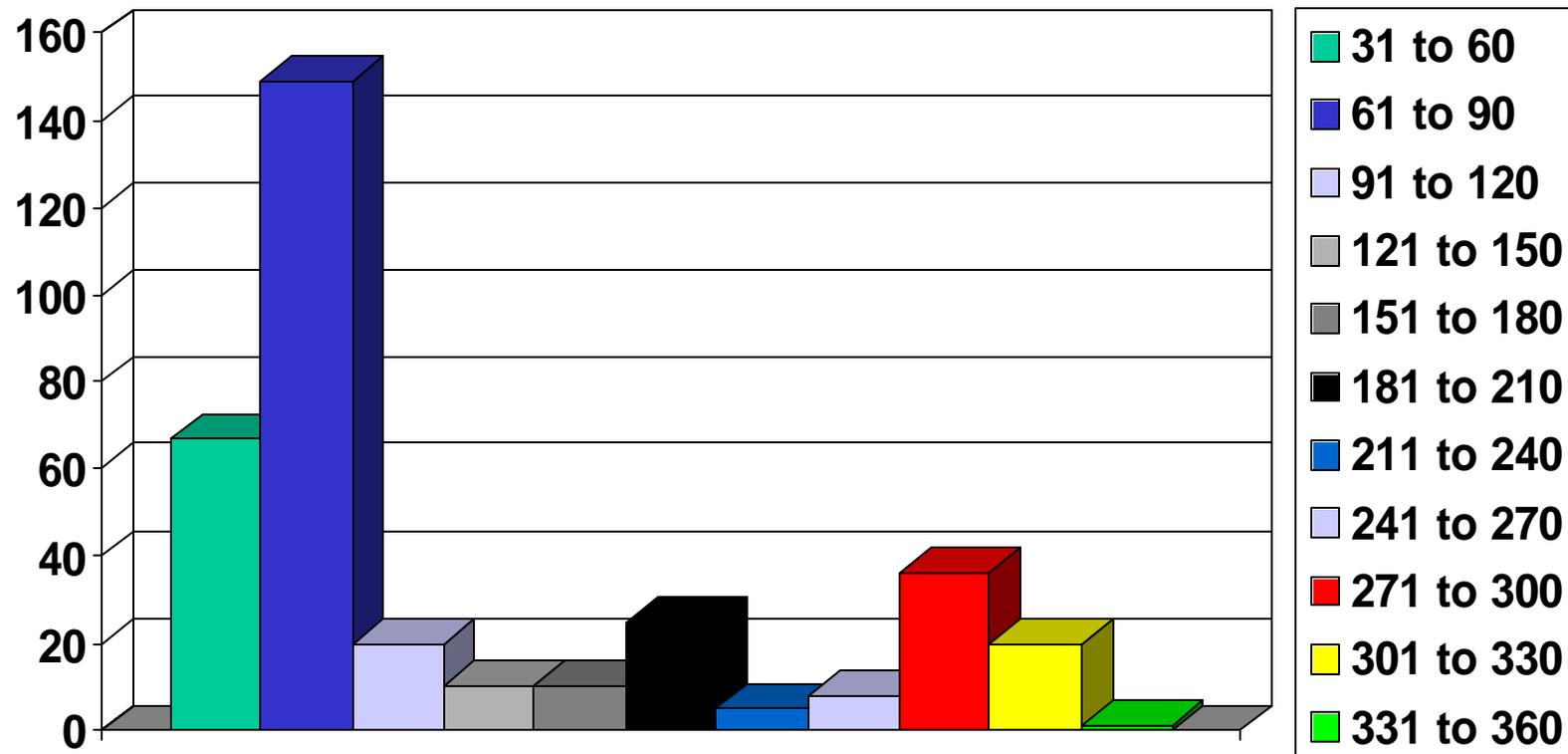


Defaulter Characteristics

- 76% do not get the advantage of their full 6 month grace as the result of late enrollment notification
- 73% have withdrawn from school and did not completed their studies
- 43% have had bad telephone number at the time of default
- 66% have not been successfully contacted by telephone during the 12 months of collection effort

Data compiled as of 12/31/02

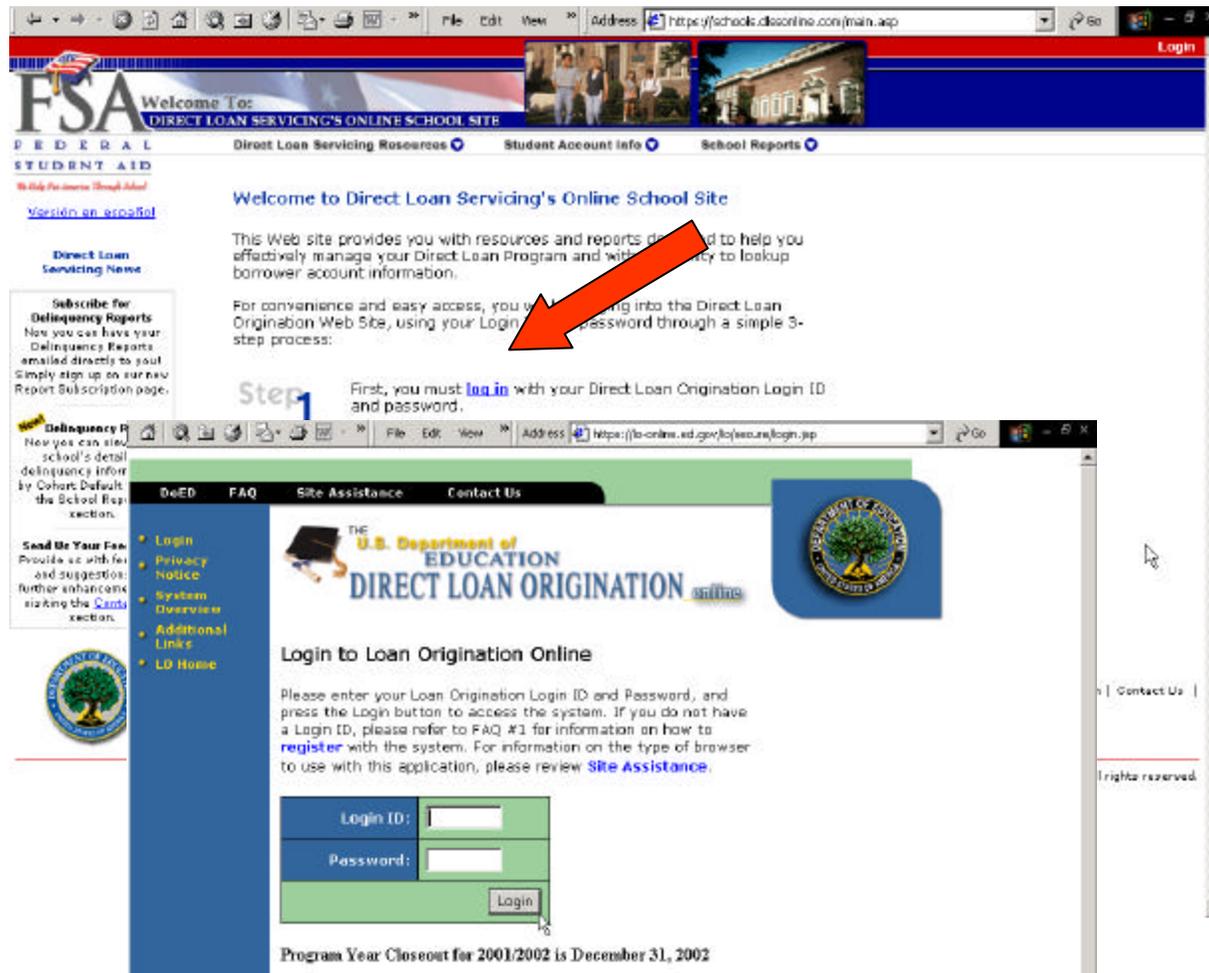
Sample Distribution of Potential 2002 Defaulters



How It Can Work

- Identify the Borrower via the web site
- Contact the Student and contact Servicer for three way calling to resolve the delinquency
- Schools have additional tools to locate Borrowers, i.e. Alumni Association directories
- Servicer will ensure Student is provided assistance
- Phone script available to help provide a guide on how to counsel the Borrower/Student

Log In Screen



The screenshot shows a web browser window displaying the login page for the Direct Loan Origination system. The browser's address bar shows the URL: <https://schools.dlsonline.com/main.asp>. The page header includes the FSA logo and navigation links for Direct Loan Servicing Resources, Student Account Info, and School Reports. The main content area features a welcome message and instructions for logging in. A red arrow points to the 'login' link in the text: "For convenience and easy access, you can log into the Direct Loan Origination Web Site, using your Login ID and password through a simple 3-step process: Step 1 First, you must **login** with your Direct Loan Origination Login ID and password." Below this, there is a login form with fields for "Login ID:" and "Password:", and a "Login" button. The footer of the page includes the text: "Program Year Closeout for 2001/2002 is December 31, 2002".

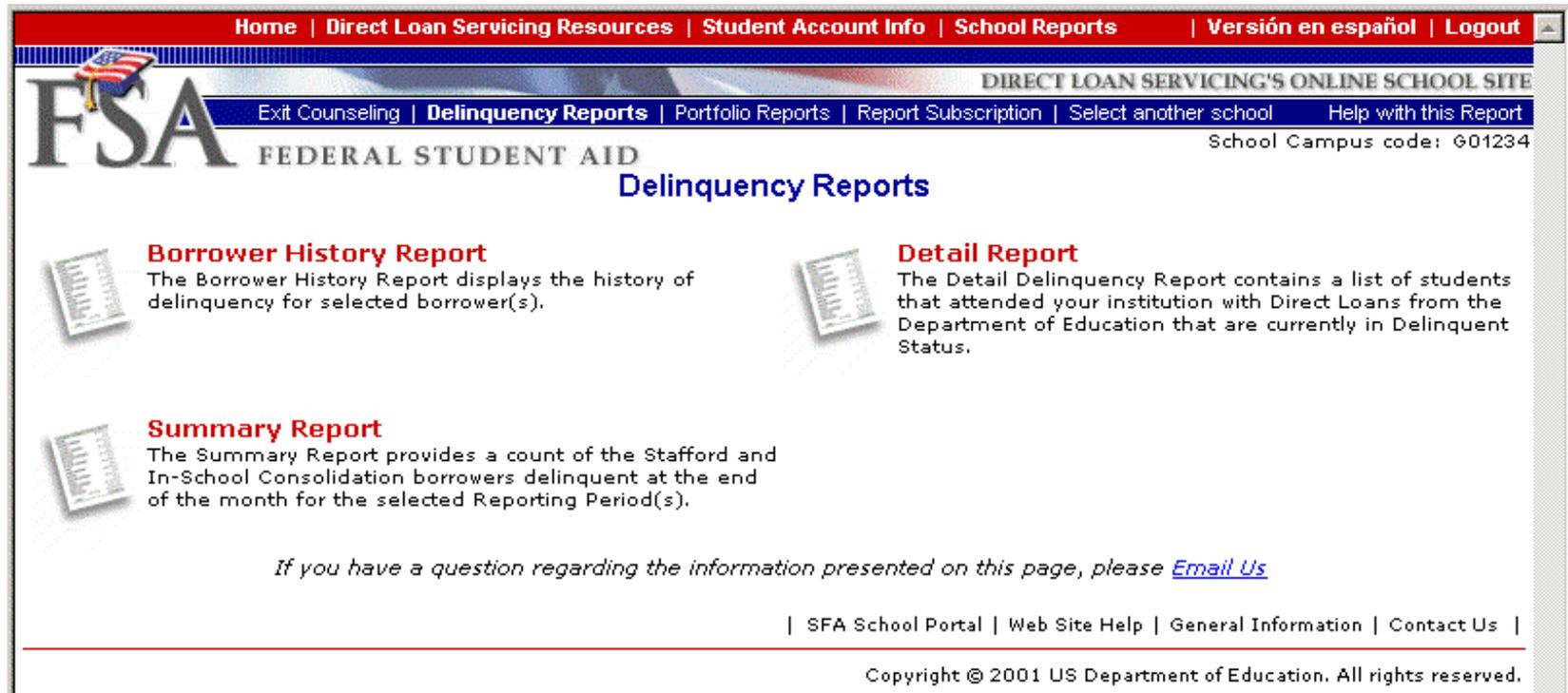
- You can visit either the DLS site at www.dl.ed.gov or the LO site at <http://lo-online.ed.gov> to login.
- Login access is controlled by the LO Web site.
- After Sept. 2003, login will move to the COD Web site.

Log In Screen



- Once you have logged in at LO, you will return to the Direct Loan Web site for schools. From here, you will select school reports to access the delinquency reports.

With the Web Site you can see
as little or as much as you want



The screenshot shows the FSA Federal Student Aid website interface. At the top, there is a navigation bar with links: Home | Direct Loan Servicing Resources | Student Account Info | School Reports | Versión en español | Logout. Below this is a banner for "DIRECT LOAN SERVICING'S ONLINE SCHOOL SITE" with sub-links: Exit Counseling | Delinquency Reports | Portfolio Reports | Report Subscription | Select another school | Help with this Report. The school campus code is G01234. The main heading is "Delinquency Reports". There are three report options, each with a small icon of a document:

- Borrower History Report**: The Borrower History Report displays the history of delinquency for selected borrower(s).
- Detail Report**: The Detail Delinquency Report contains a list of students that attended your institution with Direct Loans from the Department of Education that are currently in Delinquent Status.
- Summary Report**: The Summary Report provides a count of the Stafford and In-School Consolidation borrowers delinquent at the end of the month for the selected Reporting Period(s).

At the bottom, there is a link: *If you have a question regarding the information presented on this page, please [Email Us](#)*. A footer contains: | SFA School Portal | Web Site Help | General Information | Contact Us | and Copyright © 2001 US Department of Education. All rights reserved.

LSDA is for all schools

In this presentation:

Direct Loan Schools
will see actual web-tools
and

FFELP Schools
will see concepts and tools to discuss
with lenders and servicers

Summary Information

You can see the delinquency status of your student borrowers

Summary Report					
Last update: 10/10/2002 10:31:20 AM					
Rows: 10 Columns: 3					
Reporting Period ▲	Delinquency Bucket ▲	Loan Type ▲	▼ Number of Accounts	▼ Original Loan Amount	▼ Past Due Amount
September2002	031 - 060	STAFFORD	162	\$ 1,924,748.00	\$ 36,764.57
September2002	061 - 090	STAFFORD	161	\$ 2,396,908.00	\$ 81,843.48
September2002	091 - 120	STAFFORD	56	\$ 795,368.00	\$ 37,349.07
September2002	121 - 150	STAFFORD	35	\$ 501,647.00	\$ 29,138.47
September2002	151 - 180	STAFFORD	47	\$ 479,461.00	\$ 34,744.67
September2002	181 - 210	STAFFORD	26	\$ 402,223.00	\$ 35,007.16
September2002	211 - 240	STAFFORD	16	\$ 166,564.00	\$ 18,001.17
September2002	241 - 270	STAFFORD	13	\$ 71,385.00	\$ 9,137.25
September2002	271 - 360	STAFFORD	99	\$ 1,475,003.00	\$ 208,055.84
Totals			615	\$ 8,213,307.00	\$ 490,041.68

Total Number of accounts:
615

All Detail Information

You can elect to see detail of all borrowers in the 271-360 days delinquent category

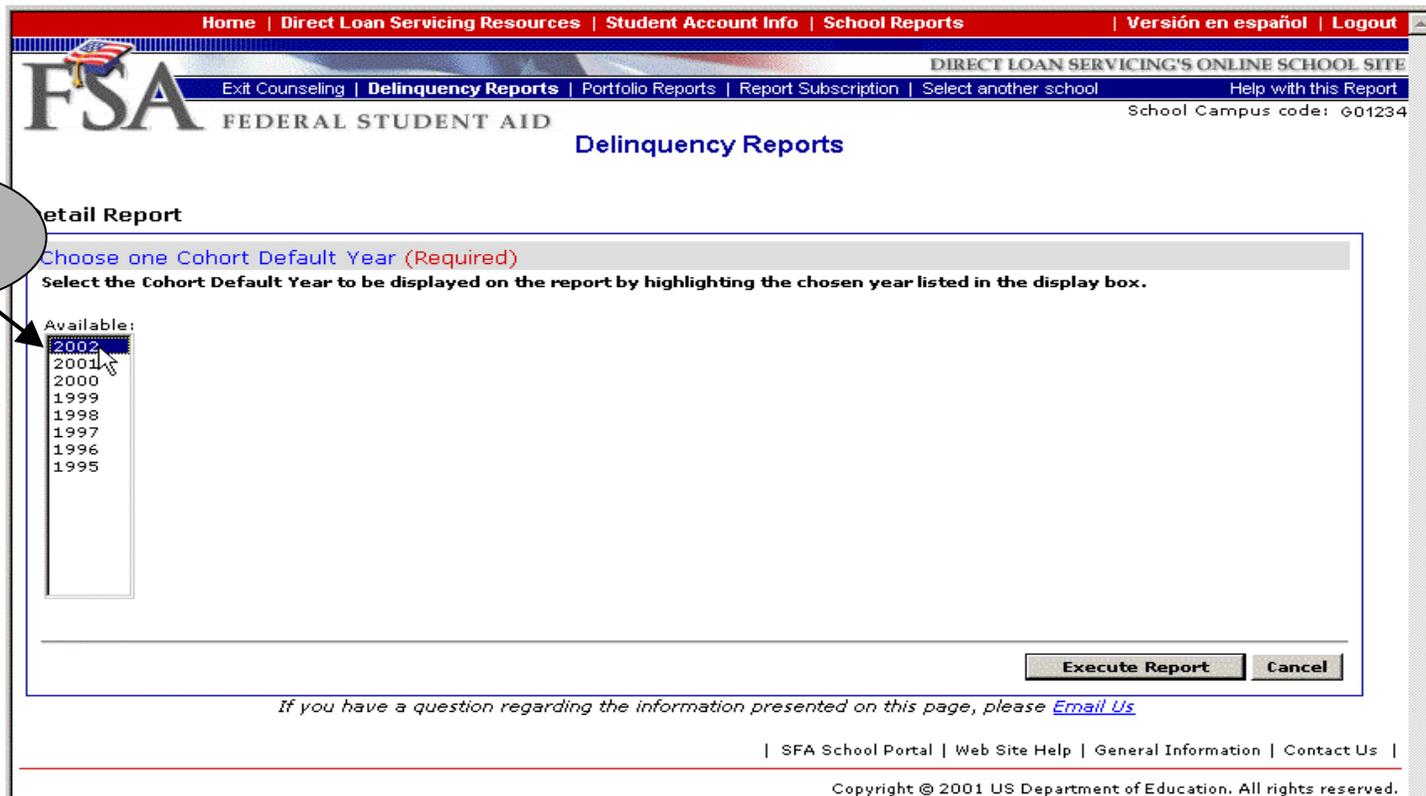
Delinquency Bucket: 271 - 360

All Years
99

Reporting Period	Social Security Number	Last Name	First Name	Work Phone	Home Phone	Cohort Default Year	Cohort Default Indicator	Days Delinquent	Amount Due	Number of Accounts
September 2002	518-21-1234	BOWMAN	ALICIA		208-123-5735	1999	N	358	\$600.00	1
September 2002	318-06-1515	PHILLIPS	THEODORE			1998	N	358	\$1,312.69	1
September 2002	518-21-1234	PIERSON	AMANDA			2000	N	358	\$3,676.88	1
September 2002	318-06-1515	HAYWARD	SLOAN		208-123-0061	1999	N	358	\$1,037.38	1
September 2002	518-21-1234	MURRAY	ANNA		406-123-2483	1998	N	358	\$6,788.48	1
September 2002	318-06-1515	CROCKETT	JOHN			1997	N	358	\$600.00	1
September 2002	518-21-1234	DYER	JUSTIN			1999	N	358	\$2,781.84	1
September 2002	318-06-1515	EVERETT	HERMAN		208-123-1281	2000	N	358	\$5,300.12	1
September 2002	518-21-1234	HARRIS	BRIAN		208-123-4690	1996	N	351	\$696.96	1
September 2002	318-06-1515	HILL	DYLAN		360-123-7299	2000	N	351	\$1,012.86	1
September 2002	518-21-1234	JACKSON	DAVID			1999	N	344	\$1,423.10	1
September 2002	318-06-1515	MENARD	JOHN		503-123-4141	1999	N	344	\$2,271.06	1
September 2002	518-21-1234	NEWMAN	KEVIN			2001	N	344	\$600.00	1
September 2002	318-06-1515	PIPER	KARA		512-123-6348	1999	N	337	\$3,522.85	1
September 2002	518-21-1234	LEBORYS	KELLY		208-123-4787	2002	Y	337	\$2,613.01	1
September 2002	318-06-1515	SAIN	TIMOTHY			2000	N	327	\$4,211.47	1
September 2002	518-21-1234	SMITH	TRAVIS		208-212-0945	1998	N	327	\$2,846.08	1

Cohort Year Delinquency

You can elect to see severely delinquent borrowers for a selected cohort year



The screenshot shows the 'Delinquency Reports' section of the FSA website. At the top, there is a navigation bar with links for Home, Direct Loan Servicing Resources, Student Account Info, School Reports, Versión en español, and Logout. Below this is a secondary navigation bar with links for Exit Counseling, Delinquency Reports, Portfolio Reports, Report Subscription, Select another school, and Help with this Report. The FSA logo and 'FEDERAL STUDENT AID' are prominently displayed. The main heading is 'Delinquency Reports'. The 'Detail Report' section contains a form with the instruction: 'Choose one Cohort Default Year (Required)'. Below this, it says 'Select the Cohort Default Year to be displayed on the report by highlighting the chosen year listed in the display box.' A dropdown menu is open, showing a list of years from 2002 down to 1995. The year 2002 is highlighted in blue. A callout bubble with an arrow points to the year 2002 in the dropdown, containing the text 'Year 2002'. At the bottom of the form, there are 'Execute Report' and 'Cancel' buttons. A footer note reads: 'If you have a question regarding the information presented on this page, please [Email Us](#)'. The bottom of the page has a footer with links for SFA School Portal, Web Site Help, General Information, and Contact Us, along with a copyright notice: 'Copyright © 2001 US Department of Education. All rights reserved.'

2002 Cohort Year Delinquency Detail

271-360

You can work as little or as much as
you want

Total Number
of accounts:
44

Delinquency Bucket: 271 - 360 44

Reporting Period	Social Security Number	Last Name	First Name	Work Phone	Home Phone	Cohort Default Year	Cohort Default Indicator	Days Delinquent	Past Due Amount	Number of Accounts
September 2002	518-21-1234	LEBORYS	KELLY		208-882-1234	2002	Y	337	\$2,613.01	1
September 2002	123-24-4567	KONKOL	TODD	208-713-1234	208-887-1234	2002	Y	297	\$2,701.61	1
September 2002	304-60-7972	RICHBERG	BRIAN		208-885-1234	2002	Y	297	\$931.87	1
September 2002	322-11-0528	EVANS	BRIAN		208-365-1234	2002	Y	297	\$3,415.95	1
September 2002	518-21-1234	BURCH	SARA	208-755-1234	208-772-1234	2002	Y	297	\$500.10	1
September 2002	123-24-4567	CHITTICK	MICHAEL			2002	Y	297	\$5,901.21	1
September 2002	304-60-7972	CORNELIUS	TOSHYA			2002	Y	297	\$4,346.01	1
September 2002	322-11-0528	CORONITI	JESSE		208-704-1234	2002	Y	297	\$500.09	1
September 2002	518-21-1234	KELLER	JOSEPH			2002	Y	297	\$500.10	1
September 2002	123-24-4567	KOROL	RENEE'			2002	Y	297	\$1,715.95	1
September 2002	304-60-7972	LILLY	DUSTY			2002	Y	297	\$500.00	1
September 2002	322-11-0528	MAKER	KELLI		509-966-1234	2002	Y	297	\$3,121.93	1
September 2002	518-21-1234	MELEAR	CHRISTINE			2002	Y	297	\$500.10	1
September 2002	123-24-4567	POGAR	MELISSA		208-743-1234	2002	Y	297	\$513.86	1
September 2002	304-60-7972	RIVERS	ANDREW		509-547-1234	2002	Y	297	\$1,193.38	1
September 2002	322-11-0528	SADIGH	APRIL		541-685-1234	2002	Y	297	\$663.86	1
September 2002	518-21-1234	QUARRY	AMANDA		208-882-1234	2002	Y	297	\$1,403.65	1
September 2002	123-24-4567	PENYAK	VICTOR			2002	Y	290	\$4,771.60	1

Schools can Help

- Assist the Servicing Center in finding and counseling severely delinquent borrowers
- Schools have options
- Contact the borrower and counsel
- Contact the borrower and transfer to Servicer
- Talking to the borrower makes all the difference

The Tools

- Direct Loan Web Site gives you the flexibility to identify the borrower population you want to work.

www.dl.ed.gov

- School Services is your point of contact to provide assistance to the borrowers' needs.

1-888-877-7658

School Services offers assistance options

- Can provide you with scripts on how to counsel the borrower
- Will assist you while on a call with a delinquent borrower
- Will ensure the borrower is assisted after you contact them

Why Do It ?

- Minimal effort, maximum results
 - Helps the Borrower/Student
 - Helps the school
- Schools can identify & focus on the most severe delinquencies
- Use the web tools to identify the borrowers you are able to "rescue"
- The Direct Loan Servicing Center is available to assist
 - School Services: 1-888-877-7658,
M-F 8:00 a.m. - 8:30 p.m. EST.
 - Loan Counseling: 1-800-848-0981, available for "off hours",
M-F 8:30 p.m. - 10:00 p.m. & Sat. 8:00 a.m. - 5:30 p.m. EST.
- No major investment in time, staff or money
- LSDA really works!!

Other Resources

We can email to you:

- A copy of the draft LSDA User Guide for Direct Loan schools
- Software which (using your School Cohort Default Rate History Report) will assist to:
 - identify your defaulting borrowers
 - identify patterns of default at your institution which is the first step in creating a default prevention plan

Getting started

You will need to:

- Get your current pre-claims or delinquency report broken down by delinquency 'buckets'
- Identify your 'late stage borrowers'
- Work out a cooperative arrangement with your lender or servicer
Establish contact information (How they will support your effort?)
- Complete phone calls with borrowers using best servicer or school contact information
What's the best time to call?
- Support borrower to make appropriate arrangements with your servicer
- Remember that you are not a collector
You are simply trying to help borrowers avoid default

LSDA Software Demonstration

Visit our PC Lab for a demonstration on
the new software tool to effectively manage
your delinquent borrowers

By reviewing your delinquency report...

Questions and Answers

Contact information

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