



National Default Prevention Day 2002

Default Prevention: You Are The Key!

August 1, 2002



FSA
FEDERAL
STUDENT AID

We Help Put America Through School



Default Prevention Strategies

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National Student Loan Program





Default Prevention Requires...

- partnership of school, lender, servicer, Department of Education, and guarantor
- borrower education
- delinquency prevention
- persistent effort



Today's Topics

- how guarantors can assist schools
- tools schools can use to help students understand loan repayment
- strategies schools can use to help prevent student loan defaults



NSLP's initiatives

Brochures and information

- *Principles of Loan Repayment* brochure and folder
- *Student Loan Management Tips* wallet card
- Teacher loan forgiveness brochure
- entrance/exit counseling form
- *What if I Can't Make my Student Loan Payment?* brochure



NSLP's initiatives

Website services at www.nslp.org

- loan information
- repayment assistance
- budget calculator
- repayment calculator
- consolidation calculator



Mapping Your Future Services

www.mapping-your-future.org

- online entrance/exit counseling
- *10 Steps to Financial Fitness*
- budget calculator
- debt/salary wizard



Loan Inquiry System

www.nslp.org/loan.htm

Loan Inquiry System

[Home](#) | [E-mail Us](#)

Search

Search Tips

NSLP's [Loan Inquiry System](#) was designed to assist our clients in locating important student loan information online. The information is contained within a secure server which will allow for privacy, security and peace of mind.

Borrowers

Simply input your Social Security Number (SSN) and your date of birth where prompted. **Borrowers, click [here](#) to begin using the Loan Inquiry System.**

Schools, Lenders and Servicers

You must have a User ID and password to gain access to the [Loan Inquiry System](#). If you wish to register for an ID and password, [E-mail us](#). If you have forgotten your ID and password, [contact us](#).



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Information Resources

Clearinghouse Loan Locator

- www.loanlocator.org
- now provides faster access to info

NSLDS

- www.nsls.ed.gov

ELMNet

- www.elmresources.com



Repayment Assistance

www.nslp.org/repay.htm

Repayment Assistance

PRINCIPLES OF LOAN REPAYMENT

How will I repay my student loan?

Download [NSLP's Principles of Loan Repayment](#) brochure in PDF format.

Student loans help you pay for your education--the best investment you can make in your future. Paying back your student loans on time helps build a strong credit history, and paying them back early saves you interest charges. Review the information below to make your loan repayment as simple as possible.

Where to get more information about your student loans.

Contact your lender or servicer. If you're not sure what loans you have or who your lender is, use [NSLP's Loan Inquiry System](#) to find detailed information about student loans that are guaranteed by NSLP.

NSLP Customer Service
P.O. Box 82507 Lincoln NE 68501-2507
1300 O Street Lincoln NE 68508
800-735-8778, ext. 6300 fax 402-479-6658
email nslpcs@nslp.org





Repayment Assistance

www.nslp.org/repay.htm

- contact information
- deferment forms and information
- forbearance information



Repayment Information



Use our calculator to plot your monthly expenses and compare it to your income. You'll be surprised how much is needed to pay basic living expenses, but always pay yourself first. Plan on saving 10% of your take home pay for unexpected expenses and to build a nest egg.

	Example	Your Amount
Income		
Annual Gross Income	\$20,000.00	<input type="text"/>
- Taxes (Fed, NE & FICA)	\$ 4,400.00	<input type="text"/>
Annual Net Income	\$15,600.00	<input type="text"/>
Monthly take home pay	\$1,300.00	<input type="text"/>
=====		
Monthly Expenses		
Savings (10% of take home)	\$ 130.00	<input type="text"/>
Student loan payment	\$ 130.00	<input type="text"/>
Housing		
Rent	\$ 225.00	<input type="text"/>
Utilities	\$ 100.00	<input type="text"/>
Food	\$ 200.00	<input type="text"/>
Transportation		
Car Payment	\$ 220.00	<input type="text"/>
Insurance	\$ 70.00	<input type="text"/>
Gas/maintenance	\$ 85.00	<input type="text"/>
Personal		
Clothes	\$ 60.00	<input type="text"/>
Recreation	\$ 40.00	<input type="text"/>
Misc. (child care/credit cards/supplies)	\$ 40.00	<input type="text"/>
Total Expenses	\$ 1,300.00	<input type="text"/>
=====		





Repayment Comparison



Select one of the following options, and enter your student loan information.

[Level](#)
 [Graduated](#)
 [Income Sensitive](#)
 [Comparison](#)

Loan Amount:
 Interest Rate: %
 Annual Wages:

Paying your loan back early saves interest. Select one of the following options to accelerate your loan repayment and our calculator will do the math. [Click here for more information.](#)

****Optional Input****
 Shorter Term: months
 Or
 Larger Payment:

LEVEL REPAYMENT		GRADUATED REPAYMENT		INCOME SENSITIVE REPAYMENT	
Totals		Totals		Totals	
Term	120	Term	120	Term	120
Interest Rate	8.25%	Interest Rate	8.25%	Interest Rate	8.25%
First Payment	\$122.65	First Payment	\$68.75	First Payment	\$77.54
Total Interest	\$4,718.32	Total Interest	\$5,754.80	Total Interest	\$4,975.88
Total Loan Amount	\$10,000.00	Total Loan Amount	\$10,000.00	Total Loan Amount	\$10,000.00
Total Payments	\$14,718.32	Total Payments	\$15,754.80	Total Payments	\$14,975.88
Payment Summary		Payment Summary		Payment Summary	
Number of Months	Monthly Payment	Number of Months	Monthly Payment	Number of Months	Monthly Payment
119	\$122.65	24	\$68.75	12	\$77.54
1	\$122.97	18	\$100.18	108	\$130.05
		18	\$132.72		
		60	\$165.21		





Consolidation

Select one of the following options, and enter information for each loan.

Level
 Graduated
 Income Sensitive
 Comparison

Annual Wages:

Loan Type:	Loan Amount:	Interest Rate:	Consolidate?:
<input type="text" value="Stafford Loan"/>	<input type="text" value="\$2,500.00"/>	<input type="text" value="8.25"/> %	<input checked="" type="radio"/> Yes <input type="radio"/> No
<input type="text" value="Stafford Loan"/>	<input type="text" value="\$3,000.00"/>	<input type="text" value="8.25"/> %	<input checked="" type="radio"/> Yes <input type="radio"/> No
<input type="text" value="Perkins Loan"/>	<input type="text" value="\$2,000.00"/>	<input type="text" value="5.00"/> %	<input checked="" type="radio"/> Yes <input type="radio"/> No
<input type="text" value="Stafford Loan"/>	<input type="text"/>	<input type="text" value="8.25"/> %	<input type="radio"/> Yes <input type="radio"/> No

LEVEL REPAYMENT		GRADUATED REPAYMENT		INCOME SENSITIVE REPAYMENT	
Totals		Totals		Totals	
Term	144	Term	144	Term	144
Interest Rate	7.5%	Interest Rate	7.5%	Interest Rate	7.5%
First Payment	\$79.14	First Payment	\$46.87	First Payment	\$55.71
Total Interest	\$3,896.44	Total Interest	\$4,609.56	Total Interest	\$4,044.00
Total Loan Amount	\$7,500.00	Total Loan Amount	\$7,500.00	Total Loan Amount	\$7,500.00
Total Payments	\$11,396.44	Total Payments	\$12,109.56	Total Payments	\$11,544.00
Payment Summary		Payment Summary		Payment Summary	
Number of Months	Monthly Payment	Number of Months	Monthly Payment	Number of Months	Monthly Payment
143	\$79.14	24	\$46.87	12	\$55.71
1	\$79.42	18	\$62.67	132	\$82.39
		18	\$80.55		
		84	\$100.08		





NSLP's initiatives

- *Managing Your Financial Health* presentation
- *Debt Awareness Fair Checklist*
- Default prevention ideas in *Newsbriefs*, FAA newsletters



Default Prevention Strategies

- Customer Service
- Borrower exit letter
- Delinquent borrower reports
- Default aversion assistance
- Default claim aversion



Reference

- U.S. Department of Education
*Ensuring Student Loan
Repayment* October 2000

- website
 - www.ifap.ed.gov/eannouncements/attachments/0118nhbook1web.pdf



Default Rate Reduction

- Takes time
- Requires persistent effort
- Pays off for your school and your student



Contact Us

We appreciate your feedback and comments.
We can be reached:

Contact: ***Juan Perez***

Phone: ***800-735-8778, ext. 6934***

Fax: ***402-479-6658***

Email: ***juanp@nslp.org***





Questions?

Comments?

Ideas?