



Partnering for Successful Default Reduction



Patty Davis
Operation Manager
Montana Guaranteed
Student Loan Program



MONTANA GUARANTEED STUDENT LOAN PROGRAM



We Help Put America Through School



Salish Kootenai College / MGSLP Default Prevention Partnership

- Background: Salish Kootenai College is a private, 4-year tribal College

- Cohort Default Rates

FY 96 27.1%

FY 97 30.7%



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School Training

- In-depth training for Loan Officer in FAO
 - Repayment Options
 - Deferment / Forbearance options
 - Understanding the Loan Detail Record of Draft Cohort Rate
 - How / what to appeal on Draft Cohort Rate





Salish Kootenai College: Reaching the Borrower

- Loan Officer makes intense effort to reach all delinquent borrowers
 - Visit homes
 - Provides special assistance
 - Follow-up with Borrowers & Lenders



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MGSLP Special handling Reaching the borrowers

- Send monthly detail report on each delinquent borrower
- Default Prevention Counselors attempt to contact SKC delinquent borrowers on weekly basis 
- “Guilt Trip Letter” 
- Priority handling of all paperwork 





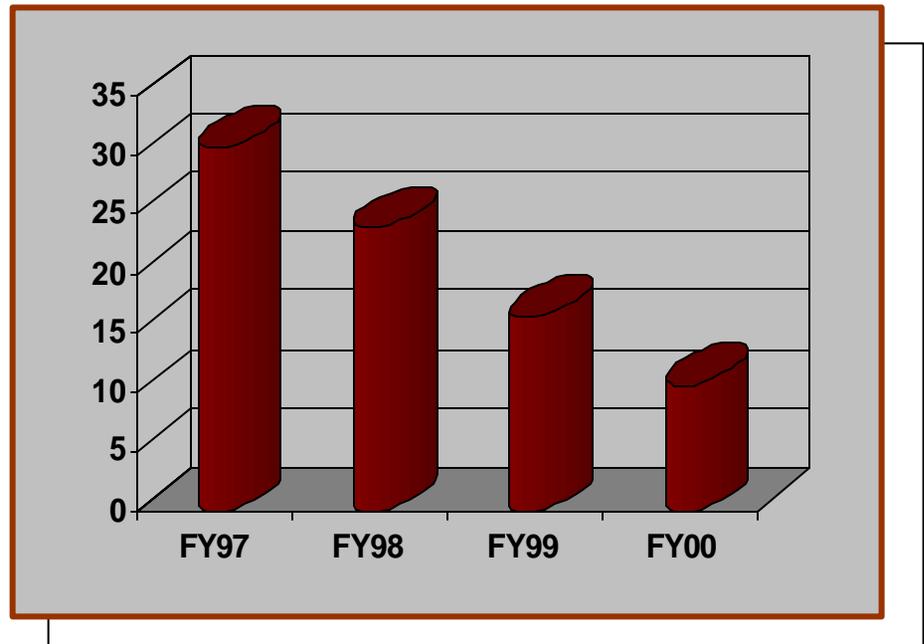
Results

FY97 – 30.7%

FY98 – 23.9%

FY99 – 16.4%

FY00 – 10.6%



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Why has the project been Successful?



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Now what?

- Continue project with Salish Kootenai College
- Offer to all schools with a CDR > 10%
- The University of Great Falls signed on





Contact Us

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