



# **National Default Prevention Day – August 1, 2002**

## **Best Practices Panel:**

**“Preventing Default by the Early  
Education of Our Student Consumers”**

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# Comprehensive Communication Plan

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- ◆ From Award Notice Packet to Promissory Note mailing we provide detailed introductory info on terms & conditions and MPN definition.
  - ◆ From Loan Awarding to Acceptance to Origination – Automatic notices generated upon loan acceptance explaining entrance requirement with automated follow-up reminders every 3 weeks.
  - ◆ Automatic hold on disbursement until Entrance requirement completed.
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# Entrance Counseling As Part of Student Orientation

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- ◆ The educational cycle starts with:
  - Mandatory one-hour entrance & debt management group sessions taught by our financial aid counselors as part of a comprehensive 2-day summer orientation and registration program for entering freshmen.
  - Students also participate in a session on student employment opportunities and how to use their Federal Work-Study awards.



# Entrance Counseling As Part of Student Orientation

- ◆ Entrance topics emphasized:
  - Know your R & R's (Rights & Responsibilities)
  - You must repay but you have options
  - Average indebtedness
  - Examples of anticipated monthly payment amounts
  - Consequences of default
  - Getting to know your LOC or COD from your ABC's



# Entrance Counseling As Part of Student Orientation

- ◆ Debt Management topics emphasized:
  - Understanding real costs
  - How to build a budget and live within it
  - Avoiding the credit card cave-in
  - Learning to look for scholarships & work before reaching for another loan



# Fin. Aid 101 in University 101

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- ◆ “Making it Stick”: Turning on the Light Bulb:
  - Follow-up teaching in interactive small group University 101 sessions (from 15-25 students) with a lot of Q&A and anecdotal examples.



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# Fin. Aid 101 in University 101

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- ◆ Fin. Aid 101 “curriculum” designed to help students become more informed education consumers:
  - Re-emphasizing entrance counseling and debt management info
  - Renewing financial aid eligibility
  - Understanding SAP requirements and effects of changes in enrollment
  - Increasing their scholarship dollars
  - Employment opportunities



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# Fin. Aid 101 in University 101

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- ◆ Provide a wide-range of information on both University and outside scholarship opportunities.
- ◆ Strongly encourage individual counseling sessions prior to students borrowing additional Unsubsidized Stafford and/or Alternative loans.



# Contact Info

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