



National Default Prevention Day 2002

Default Prevention: You Are The Key!

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Loan Default Management: Best Practices

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Best Practices

This session provides an overview of practices and procedures to reduce student loan defaults and to keep your institution on the right path.



Steps to Default Aversion

- Communicate
- Counseling at Every Stage
- Conservative Borrowing
- Consumer Education
- Collection of Borrower Data
- Commitment



Communicate

- Initial Contact
- In-School
- Grace Period
- Repayment
- Pre-Claims



Counseling at Every Stage

- Entrance Counseling
First and subsequent loan requests
- Disbursement Notification
- Exit Counseling
- Repayment



Conservative Borrowing

- Borrow only for direct costs
- Borrow minimum for indirect costs
10% above direct costs
- Budget for personal and educational costs



Consumer Education

- Institutional Resources
- Lender Tools
- Guarantor
- U S Department of Education Publications
- Loan Servicer



Collection and Exchange of Borrower Data

- Entrance Counseling
- Verify demographic data during each business contact
 - Registration
 - Status Inquiry
- Annual Award Package
- Exit Counseling
- Loan Default Management Servicing

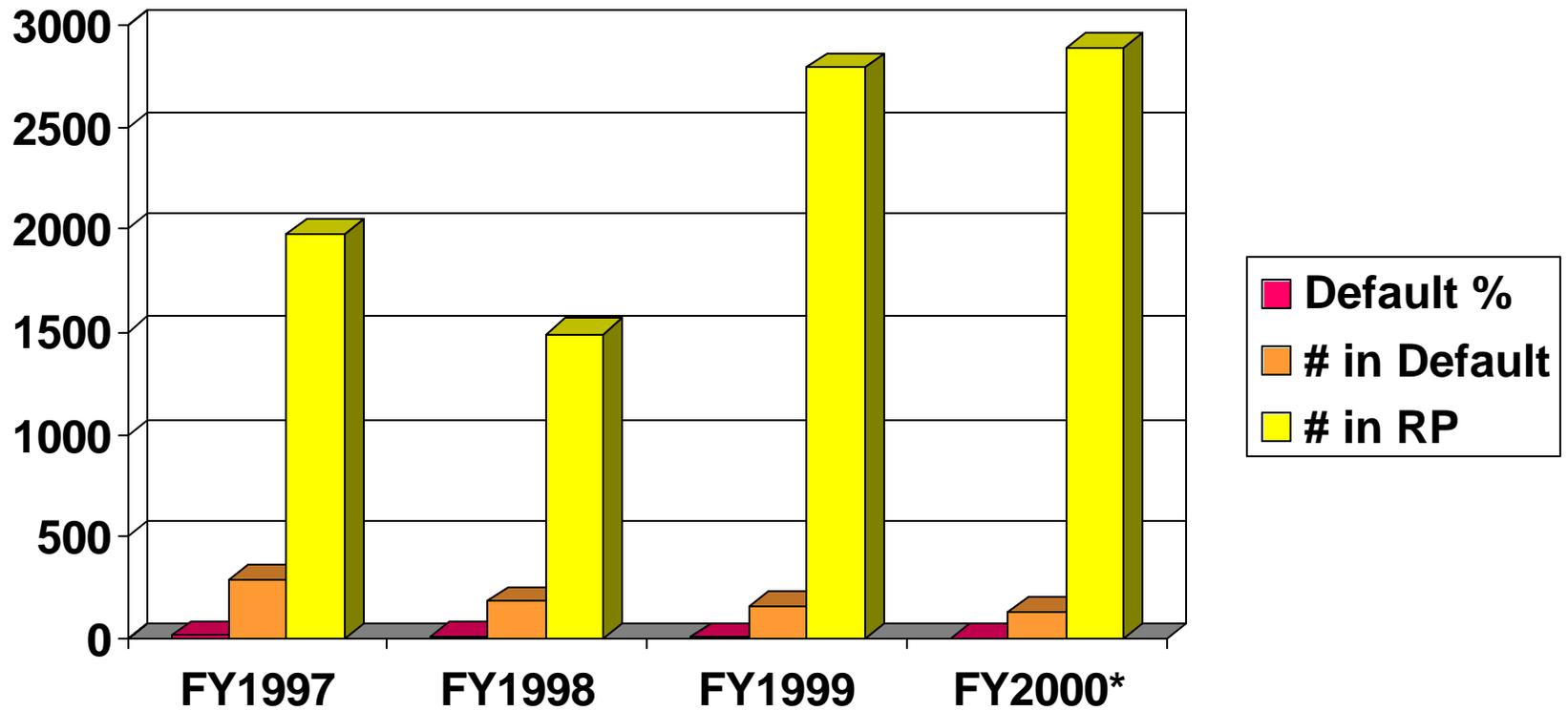


Commitment

- Student
 - Educational Goals
 - Career Goals
 - Repayment Obligation
- Institution
 - Educational Opportunity
 - Assistance During and After Graduation



Results





Contact Information

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