Session 4

Direct Loan Late Stage Delinquency Assistance (LSDA): How to Improve or Start a LSDA Program at Your School (Hands On)

Ben LeBorys

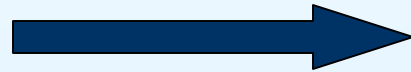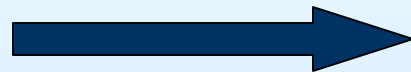Cynthia Battle

Rosalizes Wright
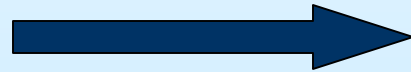
Agenda

How Are We Doing ?

What Is The Target?

How Do We Get Started ?

How To Use The Tools ?

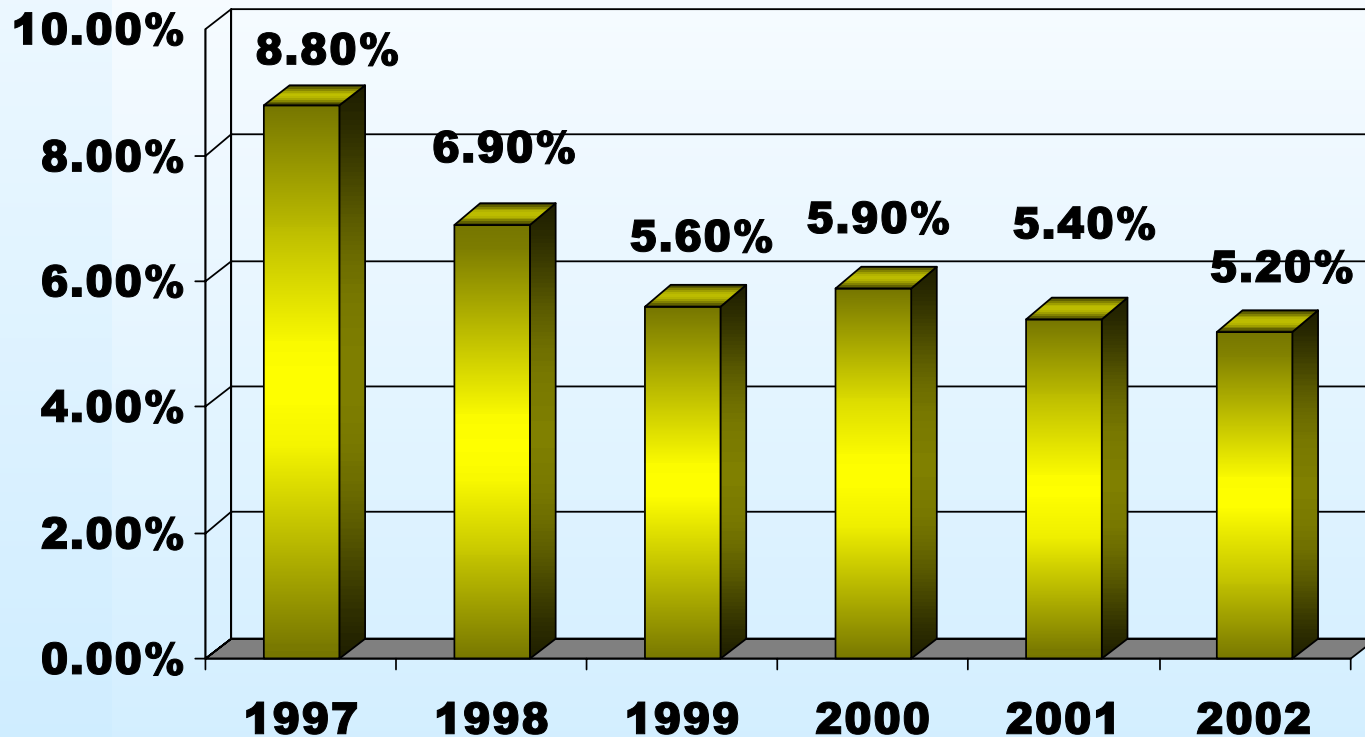**What Are Other Schools Doing?**
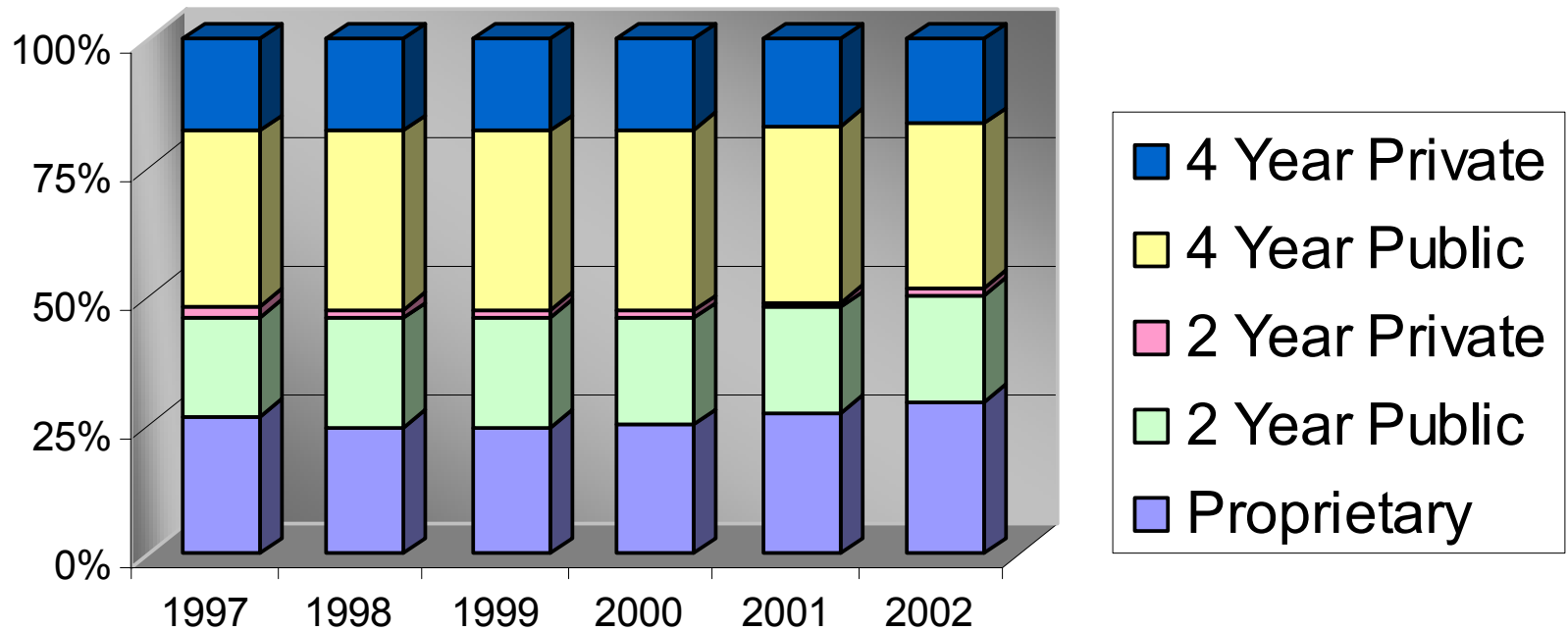
What Are The Results ?

WOW!!!!!!

36% Reduction at LSDA Schools
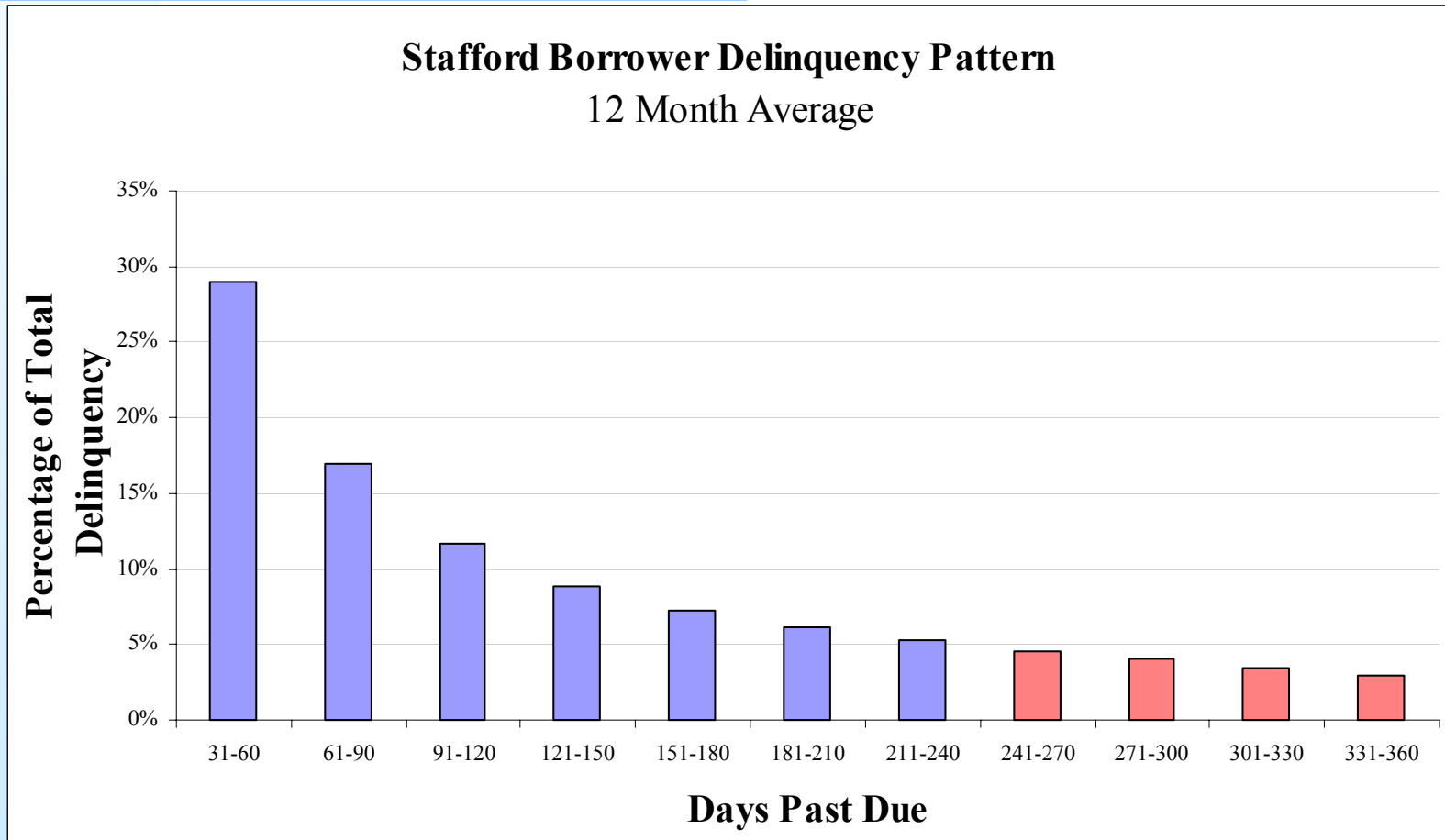
Official Cohort Default Rates

Makeup of Cohort Rate

Cohort Default Contribution by School Type

Borrower Delinquency Pattern

Stafford Borrower Delinquency Pattern
12 Month Average

Defaulter Characteristics

- ❑ 83% do not receive the advantage of the full 6 month grace period as a result of late enrollment notification

- ❑ 72% have withdrawn from school and did not complete studies

- ❑ 44% have had bad telephone numbers at the time of default

- ❑ 58% have not successfully been contacted by telephone during the 360 day collection effort during delinquency

12 month average of Stafford borrowers - all cohort years

Selected LSDA Participants

School	Total Delinquent Borrowers September 2003
Technology Institute	598
University	1,977
University	553
College	617
University	669
College	618
University	1,104
State University	2,670
State University	1,097
State University	1,589
State University	705
Community College	732
University	899
State University	671
Total	**14,499**
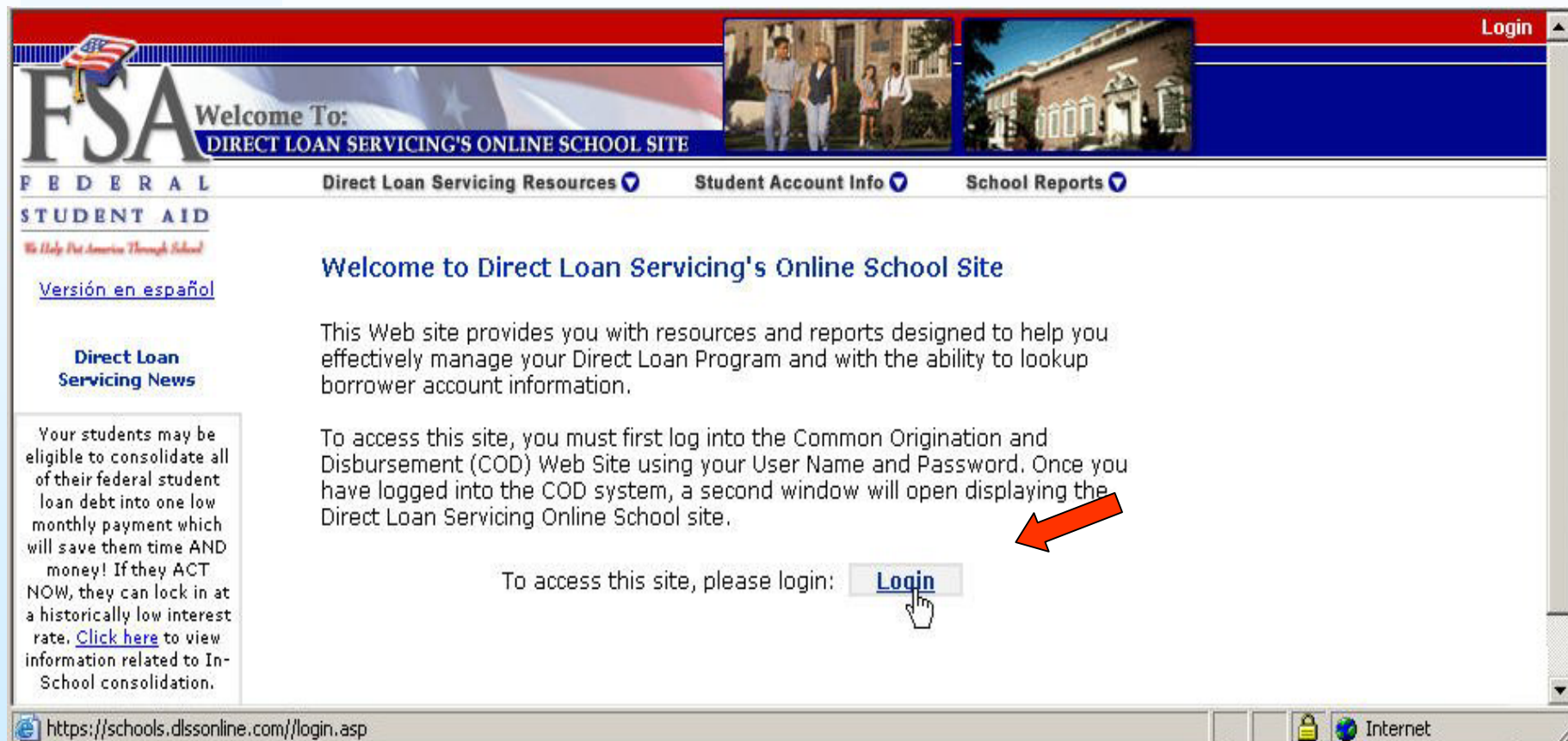
LSDA Minimal Workload

School	Total Delinquent Borrowers	Total LSDA Borrowers 1	Percentage of Borrowers to Help Each Month	Borrowers to Help Each Week
Technology Institute	598	30	1%	2
University	1,977	123	2%	8
University	553	35	2%	2
College	617	73	3%	5
University	669	32	1%	2
College	618	30	1%	2
University	1,104	56	1%	4
State University	2,670	169	2%	11
State University	1,097	100	2%	6
State University	1,589	77	1%	5
State University	705	27	1%	2
Community College	732	54	2%	3
University	899	57	2%	4
State University	671	36	1%	2
Total	**14,499**	**899**	**2%**	**56**

1 Loans that were 240 or more days past due on October 1st 2003

Login

Start at the Direct Loan Servicing Web site for Schools and select Login.

You will transfer to the COD Web site.
Login in with your COD logon.

Select the Services menu option from the top navigation bar.
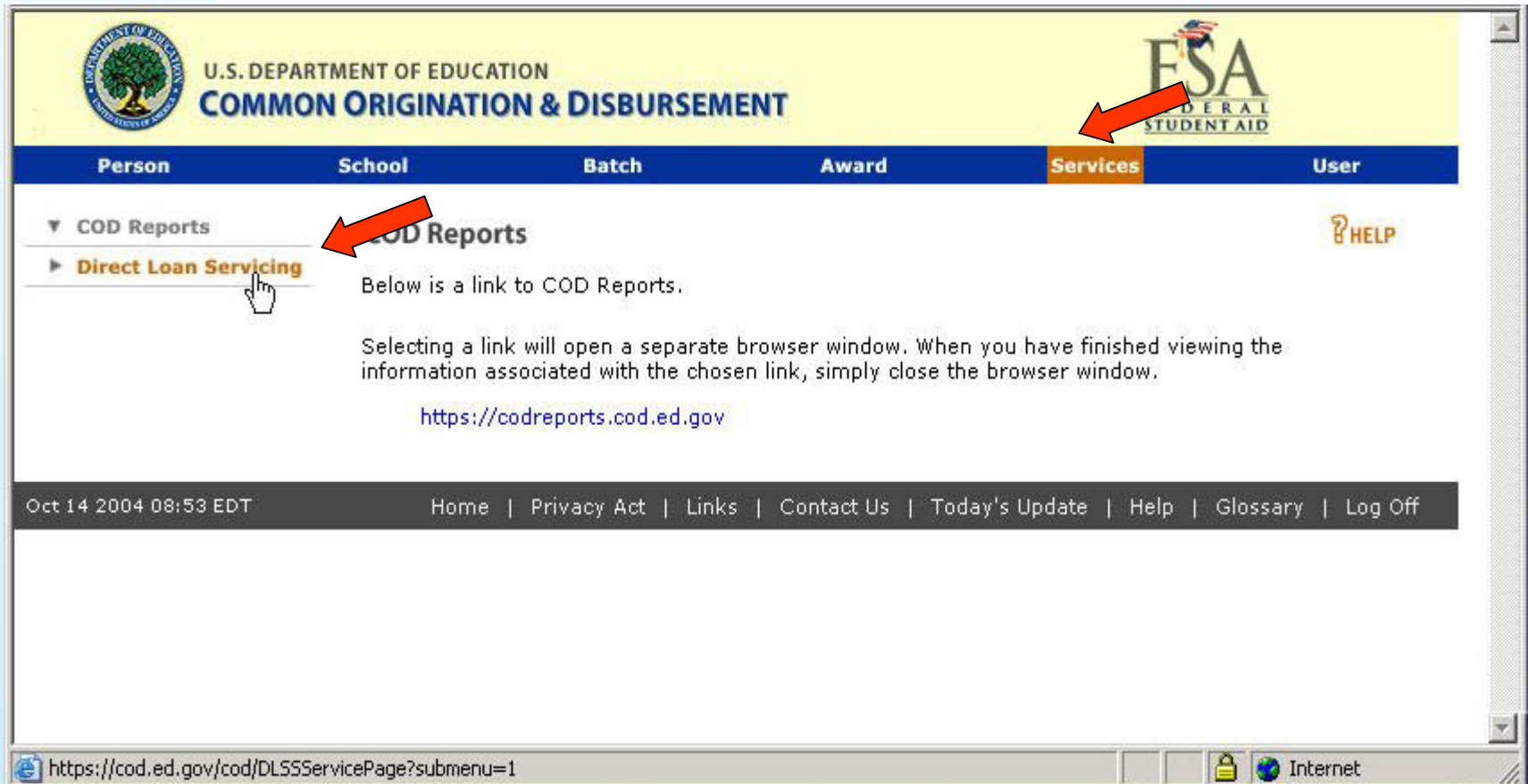
Select the Direct Loan Servicing link from the left to Display the available resources.

You will see a link to the Servicing Web site. Select the link to be securely logged into the Direct Loan Servicing Web site for schools.
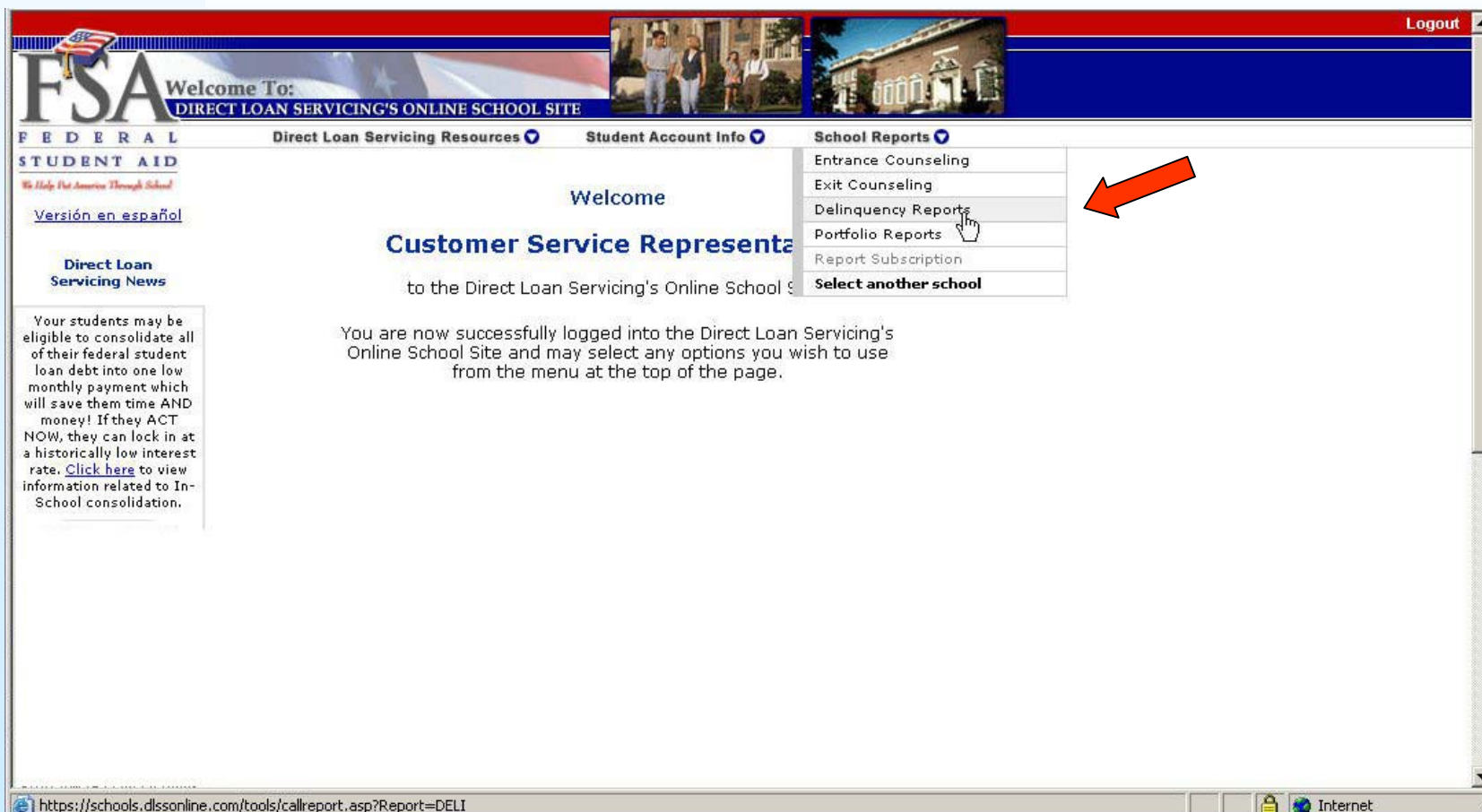
From the School Reports menu, select Delinquency reports to get to the LSDA Report.

Tools: *NEW!* LSDA Report

Tools: *NEW!* LSDA Report

Choose the campus for which you want to run the report on, if applicable, and select the Execute Report button.

The Late Stage Delinquency Assistance Report provides the most recent report of borrowers from your institution that are between 241 and 360 days delinquent and that can affect your cohort default rate.

There are two main ways to sort the data. Use the sort icons in each column heading. Selecting the icon will sort the report in Ascending or Descending order based on that single column.

To perform more complex sorts using multiple columns, use the Sort options on the Data menu. This will activate a sort windows so you can define the sort parameters.
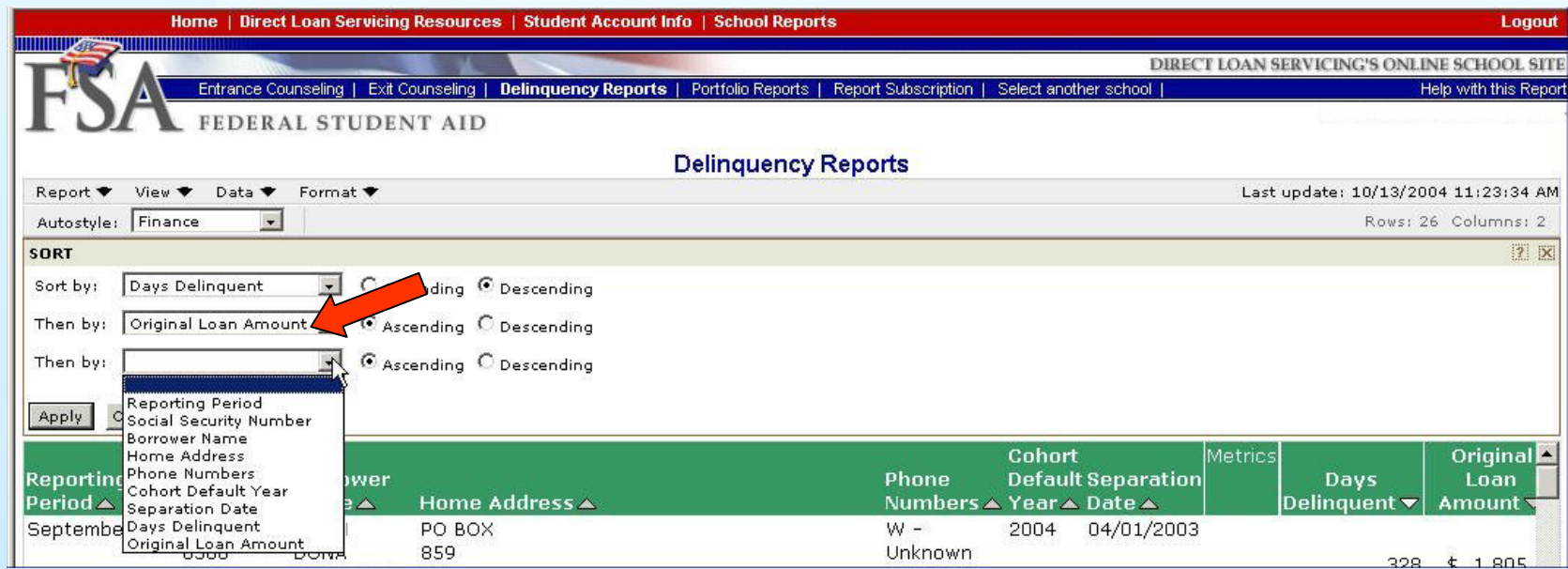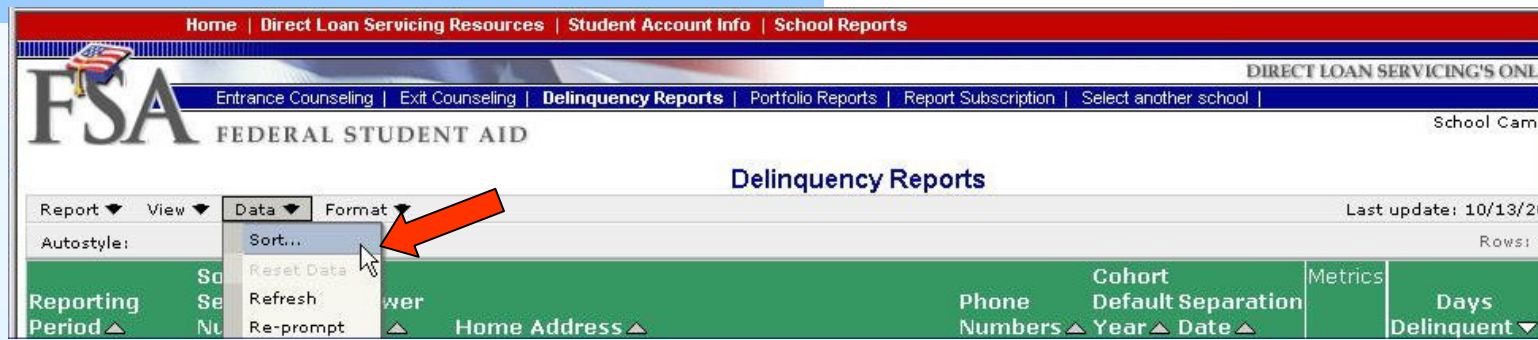
Drop down boxes replace report tabs.

New Menu Options allow you to Print or Export your students data. Export options include: HTML, Excel, and Text, to name a few.

New Menu Option allows you to sort and display the report to your individual preference.

New Menu Option allows for instant refreshing or resorting of the data.

New Menu Option allows for different, customized views of the data.

New style templates allow the user to change the overall look and feel of the report.

Tools: LSDA User's Guide

Describes how to implement LSDA process and is available in English and Spanish

Section I -   Introduction

Section II - Late Stage Delinquency Assistance Initiative

Section III - WEB Tools Guide

Section IV - Ideas and Tips

This guide is available from your School Services Representative.

LSDA Tools

- ❑ **Direct Loan Web Site**
- ✓ **Flexibility**
- ✓ **Identify unique borrower populations**

- ❑ **Direct Loan Servicing Center Assistance**
- ✓ **LSDA User Guide and tips**
- ✓ **3-way calls with delinquent borrowers**
- ✓ **Numbers and Hours**
  - **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. - Midnight p.m. & Sat. 8:00 a.m. - 5:30 p.m. EST.**

Tips for Success

❑ Use a light touch – remember you are there to help, not to collect.

❑ Call at different times of the day – more people are home in the evening and you can call from home using a calling card.

❑ Mailing handwritten notes has been successful.

❑ Use contact information from the Web, student email addresses, Perkins Loan info, Registrar's Office, Alumni Office, etc.

❑ Send out information on repayment options, deferments and forbearance.

❑ Connect the student with the Service Center in a three-way call.

❑ Be creative! You can make a difference.

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What Your Colleagues Are Doing

Let's Hear from them

Effective Implementation

Plan

Schedule

Tips from others

Make it someone's responsibility

Testimonials

- *"I just wanted to drop you a note of thanks and appreciation for your help with my direct student loan. It had become a sore issue that I found difficult to face, being that I had no answers regarding payment. I was not aware of deferment options regarding unemployment, just those associated with schooling. Thanks again for your help and persistence."*

  ~Student

- *"I'm glad you cared enough to contact me and not give up on me when I had just about given up on myself."*

  ~ Student

- *"Borrowers are grateful that someone is willing to work with them and help them get through the critical point. A lot of the borrowers do not realize the seriousness of defaulting and the options that are available."*

  ~Margaret Pearson, San Antonio College/Career Centers

Why is LSDA Working ?
Late Stage Delinquency Assistance

❑ Schools feel it is the right thing to do

❑ Schools feel that it is very doable

❑ Students respond well to schools

❑ It doesn't take a lot of resources

❑ The results are dramatic

LSDA Results are *Dramatic!*

School	Delinquent Borrowers	LSDA Borrowers 1	Rescued Borrowers	Percent Rescued
Technology Institute	598	30	21	70%
University	1,977	123	56	46%
University	553	35	15	43%
College	617	73	31	42%
University	669	32	13	41%
College	618	30	10	33%
University	1,104	56	18	32%
State University	2,670	169	54	32%
State University	1,097	100	31	31%
State University	1,589	77	23	30%
State University	705	27	8	30%
Community College	732	54	16	30%
University	899	57	16	28%
State University	671	36	9	25%
Total	**14,499**	**899**	**321**	**36%**

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Questions

In Summary

When you get back to campus:

- ❑ Report student separations timely
- ❑ Use the web tools to plan and identify
- ❑ Put someone in charge of LSDA
- ❑ Make the first phone call
- ❑ Provide counseling, support to late stage delinquent borrowers.

Let us know how we can help.

Questions and Comments

Contact Us:

- ▶ ben.leborys@ed.gov
- ▶ cynthia.battle@ed.gov
- ▶ rosalizes.wright@ed.gov

Thank You