**Liverpool John Moores University Default Management Plan for US Federal Loans**

**Introduction**

The information listed below details steps taken by LJMU to assist students in receipt of Direct US Federal Loans understand their responsibilities of taking out loans to fund their education and reduce the number of students that default on their loan payments. The Default Management Plan is designed to promote success rates for US Students within our Institution (SAP).

The steps outlined below are intended to increase student success rates and reduce Cohort Default Rates and limiting availability of Title 1V Loans for Students.

**Entrance Counselling**

All students wanting to access US Federal Loans either as a new student or continuing are required to undertake Entrance Counselling prior to each new academic year. During Entrance Counselling, students are advised:

* how the Master Promissory Note works
* terms of their loan, including financial responsibility to them
* the importance of repayment
* the consequences of defaulting on the loan
* and sample monthly repayment amounts

Entrance Counselling ensures that all borrowers understand the terms and conditions of the loan and the associated rights and responsibilities. All students must send a copy of the completed Entrance Counselling noting their student details and this is retained on the student’s file.

**Financial Literacy**

All new students intending to use US Federal Loans are advised to review the Cost of Attendance and we recommend that they borrow only what is required to fund their studies and make themselves aware of the repayment obligations of the loans they intend to borrow. All US Students are required to submit written evidence of the amounts they intend to borrow. Continuing students at LJMU are advised to review their borrowing to date by checking their loan history on NSLDS.

**Early Identification and Counselling** **for Students at Risk of Withdrawal**

Students who withdraw or are considering withdrawing prior to the completion of their programmer of study are provided with guidance from the Student Advise and Wellbeing Team and the Programme Leader, every effort is made to resolve any issues associated with the reason for withdrawal and help is offered with the withdrawal process and the impact on the students US Federal loans including any R2T4 calculations. US Students are advised to seek Immigration advice before making their final decision and Exit Counselling is advised.

**Communication**

All students intending to study at LJMU are directed to the University’s webpage and this includes the Disclosure information and relevant policy documents. This information is again sent to applicants and returning students once loans have been confirmed.

Enrolment status including personal details including next of kin and academic progress (SAP) are contained with the University’s Student Information System (SIS) and this information is updated on an annual basis at the beginning of the academic year. This information is accessible by the student and is used to determine SAP prior to each disbursement of Federal loans.

Liverpool John Moores University has effective procedures in place to ensure accurate and timely communications across all departments. Due to these procedures, academic progress and is communicated across campus ensuring the relevant aid is disbursed on time to the correct students and in compliance with Direct Loan regulations.

Each Faculty within the Institution are reminded of the timely and accurate notifications required for processing US loans and compliance.

**Exit Counselling**

Prior to completing their programme and in the event of withdrawal / falling below ‘Half time’, all students in receipt of US Federal Loans are reminded to complete online Exit Counselling. Students are required to provide evidence of this process and this is retained on the students file.

**Timely and Accurate** **Enrolment Reporting**

LJMU ensures timely and accurate reporting on enrolments, this includes updates for individual students and any changes that occur during the academic year via NSLDS at two-monthly intervals.

**Analyse** **Defaulted Loan data**

The university’s receives regular reports from NSLDS detailing ‘Loan Default Data which is analysed to improve default prevention and identify common issues amongst ‘Defaulters’.

Students that are identified as defaulting on their loans will be directed to their individual loan providers for advice and to discuss repayments options.

**Tools and** **Activities for Universities**

The US Loans Administration Team at LJMU will make use of the tools highlighted below to ensure data accuracy and will apply effective Default Prevention Techniques to assist the University and students in receipt of US Federal aid.

**Where** **do I begin?**

FSA Assessments for Default Prevention and Management <http://www.ifap.ed.gov/qamodule/DefaultManagement/DefaultManagement.html>

Loan Counselling

Students and Counsellors

<http://www.studentaid.ed.gov>

The Student Guide and NSLDS for Students

 <http://www.studentaid.ed.gov>

How much will it cost

<https://studentaid.ed.gov/sa/fafsa/estimate>

How will I pay for it?

<http://studentaid.ed.gov/students/publications/student_guide/index.html>

Will I make enough money in my chosen occupation to repay student loans I receive?

<http://www.direct.ed.gov/RepayCalc/dlindex2.html>

Repaying Your Student Loans

<http://www.studentaid.ed.gov/students/publications/repaying_loans/index.html>

Ombudsman Office

<http://www.ombudsman.ed.gov>

Ensuring Student Loan Repayment Best Practices for Schools

<http://www.ifap.ed.gov/eannouncements/0119stuhbkbestprectice.html>

SFA Assessments for Schools

<http://ifap.ed.gov/dpcletters/attachments/GEN0514Attach.pdf>

Jump Start Coalition for Personal Financial Literacy

<http://www.jumpstart.org>

Enrolment Reporting and Data Accuracy

NSLDS Enrolment Reporting Guide, formerly SSCR User’s Guide: <https://ifap.ed.gov/nsldsmaterials/attachments/NewNSLDSEnrollmentReportingGuide.pdfNSLDS>

Date Entered Repayment Report, School Repayment Information Loan Detail Report, and Enrolment Reporting

Summary Report

<https://www.nsldsfap.ed.gov>

NSLDS Reports, requesting and formatting questions

<https://www.nsldsfap.ed.gov>

NSLDS User ID CPS/WAN Technical Support 1-800-330-5947

NSLDS Customer Support 1-800-999-8219

Cohort Default Rate Guide for information on challenges, adjustments, and appeals <http://ifap.ed.gov/DefaultManagement/DefaultManagement.html>

Default Prevention

FSA Assessments: <https://ifap.ed.gov/FSAAssessments/FWS.html>

Ensuring Student Loan Repayment Best Practices<https://ifap.ed.gov/eannouncements/attachments/0118nhbook1web.pdf>

NSLDS Reports and Exit Counselling: <https://www.nsldsfap.ed.gov>

Late Stage Delinquency Assistance (LSDA) Guide: For Direct Loan Schools, Direct Loan Servicing/Schools website, accessed via COD website:

<http://www.cod.ed.gov>

General Connections/Publications

Information for Financial aid Professionals (IFAP) Library with publications, training, tools, references, laws, etc:

<http://www.ifap.ed.gov>

The Office of Federal Student Aid

<http://www.ed.gov/about/offices/list/fsa/index.html>

*The Student Guide*

<http://www.studentaid.ed.gov>

NSLDS https://www.nsldsfap.ed.gov or <https://www.nsldsfap.ed.gov/secure/logon.asp>