

Default Management Plan for US Federal Direct Loans

Please find detailed below some of the activities, techniques and tools the Glasgow School of Art employs to help our students with US Federal Loans to better understand the rules and responsibilities of taking out loans to fund their education and to reduce the number of students who default on their loan repayments

Entrance Counselling

All new students borrowing from the Federal Direct Loans programme are required to complete Entrance Counselling at <https://studentaid.gov/entrance-counseling/> prior to their loans being certified. During Entrance Counselling, students are advised of:-

- How the Master Promissory Note works
- The terms of the loan, including the financial responsibilities
- The importance of repaying the loan
- The consequences of default
- Sample monthly repayment amounts

GSA checks Entrance Counselling has been completed prior to loans being originated. GSA has further contact with students throughout the loan set-up, pre-arrival and enrolment periods and ensures students fully understand the Federal Student Loan process and responsibilities.

Financial Literacy for Borrowers

All students intending to use US Federal Loans to fund their education at the Glasgow School of Art are advised to borrow only what is required to fund their studies and to make themselves aware of the repayment obligations of the loans they intend to borrow. GSA recommends that continuing students review their borrowing to date by checking their Loan History on NSLDS or completing Entrance Counselling again. We advise that it is not a requirement to take the maximum loans available and that the students review their loan repayment obligations. All students taking out US Federal Loans are asked to submit in writing the amount of loans they require annually.

Early Identification and Counselling for Students at Risk of Withdrawal

Students who withdraw or are considering withdrawing prior to the completion of their programme of study have a meeting with their Programme Leader. Guidance is provided and every effort is made to resolve any issues to prevent the student from withdrawing. Students are advised to meet with/speak to the Student Welfare Service for further advice on completing their programme or for support with the withdrawal process.

Students in receipt of US Federal Loans are referred Graeme Fraser, Student Welfare Adviser to discuss the impact that withdrawing from their studies will have on their US Federal Loans. At the Glasgow School of Art the incidence of US students withdrawing from studies before completing their programme of study is extremely low.

Programme Leaders are responsible for identifying students at risk of withdrawing and counselling them accordingly with a view to retaining those students. Students who are considering withdrawing from their programme of study are contacted by Graeme Fraser, Student Welfare Adviser, to arrange a meeting (in person or via phone/Skype). At this meeting full information on the withdrawal process and the impact on the student's US Federal Loans (potential R2T4



calculations; entering repayment) are discussed. If the student advises that they wish to withdraw, they are provided with support with this process and advised to complete Exit Counselling.

Communication

All students are directed to the Glasgow School of Art US Loans information and Consumer Disclosures, provided on the Glasgow School of Art website, on the communication sent to confirm that their Loan origination process has begun.

Up-to-date contact information for students and their next of kin is obtained from students at enrolment and stored on the School's central student records system. Academic progress and enrolment status is also held on the student records system and is accessible to the department that certifies loans and disburses funds. In addition, a Progress Review Form signed by the student's tutor or Programme Leader, confirming satisfactory academic progress, is required before the disbursement of funds.

The Glasgow School of Art has effective procedures in place to ensure accurate and timely communications across all relevant departments. Academic progress and enrolment status is communicated across the institution ensuring the relevant aid is disbursed on time and to the correct students and in compliance with Direct Loan regulations.

Exit Counselling

Prior to graduating, students are reminded by email of their obligation under Federal Direct Loan regulations to complete online Exit Counselling. They are asked to do this and confirm to Graeme Fraser, Student Welfare Adviser that Exit Counselling has been completed.

Students are directed to <https://studentaid.gov/exit-counseling/>

Students who withdraw from their programme or who fall below half time are also asked to complete Exit Counselling.

Timely and Accurate Enrolment Reporting

The Glasgow School of Art will ensure that accurate information on enrolments including updates is reported in a timely way on the National Student Loan Data System.

Analyse Defaulted Loan Data

The Glasgow School of Art will analyse defaulted loan data available from NSLDS to improve default prevention and management practices. This analysis and the Loan Record Detailed Report (LRDR) will be used to pinpoint common trends amongst defaulters.

Any student defaulting on their loans who contacts the Student Welfare Service will be directed to their individual Loan Servicer and provided with contact details to discuss repayment options.

Tools and Activities for Schools

The Glasgow School of Art will make use of the recommended tools (below) to ensure data accuracy and employ effective loan counselling and default prevention and management techniques to aid students and the School.

Where do I begin?

FSA Assessments for Default Prevention and Management

<https://fsapartners.ed.gov/financial-aid-delivery/default-prevention-and-management>

Loan Counselling

- Students and Counsellors <http://www.studentaid.gov/>
- The Student Guide and NSLDS for Students <http://www.studentaid.gov/>
- How much will it cost?
 - National Centre for Education Statistics <http://nces.ed.gov/ipeds/cool/>
 - Student Aid Entrance Counselling <https://studentaid.gov/entrance-counseling/>
 - Student Aid Loan Simulator <https://studentaid.gov/loan-simulator/>
- How will I pay for it? <https://studentaid.gov/h/manage-loans>
- Will I make enough money in my chosen occupation to repay the student loans I receive?
 - US Bureau of Labor Statistics: Earnings <https://www.bls.gov/cps/earnings.htm#earn>
 - US Bureau of Labor Statistics: National Compensation Survey (SIC) <https://www.bls.gov/eci/home.htm>
- Repaying Your Student Loans <https://studentaid.gov/manage-loans/repayment>
- Ombudsman Office <https://studentaid.gov/feedback-ombudsman/disputes/prepare>
- Ensuring Student Loan Repayment Best Practices for Schools <https://fsapartners.ed.gov/sites/default/files/attachments/eannouncements/0118nhbook1web.pdf>
- SFA Assessments for Schools <https://fsapartners.ed.gov/sites/default/files/2021-03/iep.pdf>
- FSA Assessments for Schools <https://fsapartners.ed.gov/sites/default/files/2021-03/1718FSAHbkAppendixD.pdf>
- JumpStart Personal Financial Literacy <http://www.jumpstart.org/>

Enrolment Reporting and Data Accuracy

- NSLDS Enrolment Reporting Guide, formerly SSCR User's Guide <https://fsapartners.ed.gov/sites/default/files/2022-11/NSLDSEnrollmentReportingGuideNovember2022.pdf>
- NSLDS Date Entered Repayment Report, School Repayment Information Loan Detail Report, and Enrolment Reporting Summary Report <https://nsldsfa.ed.gov/>
- NSLDS Reports, requesting and formatting questions - Reports Tab <https://nsldsfa.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 challenges, adjustments, and appeals information <https://fsapartners.ed.gov/knowledge-center/topics/default-management/cohort-default-rate-guide>

Default Prevention

- FSA Assessments <https://fsapartners.ed.gov/knowledge-center/topics/default-management>
- Ensuring Student Loan Repayment Best Practices
 - <https://fsapartners.ed.gov/sites/default/files/attachments/eannouncements/0118nhbook1web.pdf>
- NSLDS Reports and Exit Counselling Loan Exit Counselling Completion Report – EXTC01 <https://nsldsfa.ed.gov/>
- NSLDS Reports, requesting, and formatting questions Reports Tab
 - <https://nsldsfa.ed.gov/>
- NSLDS User ID:
 - CPS/WAN Technical Support 1-800-330-5947
 - NSLDS Customer Support 1-800-999-8219
- Late Stage Delinquency Assistance (LSDA) Guide
 - <https://fsapartners.ed.gov/sites/default/files/attachments/presentations/04SpringDLWkshopReducingDLDefaultsLSDA.pdf>
 - Direct Loan Schools can access via COD website <https://fsapartners.ed.gov/home/>



- For FFEL Schools, Default Prevention Strategies (or contact your guaranty agency) <https://fsapartners.ed.gov/financial-aid-delivery/default-prevention-and-management>

General Connections/Publications

- Information for Financial aid Professionals (IFAP) Knowledge Library with publications, training, tools, references, laws, etc. <https://fsapartners.ed.gov/home/>
- The Office of Federal Student Aid <https://www2.ed.gov/about/offices/list/rsa/index.html>
- The Student Guide <http://www.studentaid.gov/>
- National Student Loan Data System <https://nsldsfa.ed.gov/>
- The office of Federal Student Aid provides publications, fact sheets, online tools, and other resources to help you prepare and pay for college or career school. <https://studentaid.gov/resources>

For enquiries about this document or US Federal Aid, please contact:

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