

New Zealand College of Chiropractic Default Prevention and Management Plan

Section 1. Overview

Though currently few students from the United States enroll in the Bachelor of Chiropractic program, the New Zealand College of Chiropractic (NZCC) has specific requirements and obligations that accompany its eligibility to administer US federal student loans for these students. The NZCC firmly believes that student default rates are a measure of student success. Therefore, we have outlined the strategies that we use to help the recipients of US Federal Loans understand the responsibility of borrowing loans to fund their education. The default plan is set in place to ensure that students are aware of their repayment obligations during their studies, upon graduation and at the end of any grace periods. The purpose is to reduce, if not eliminate, the number of students who default on repayments to their loans. The NZCC is using the Sample Default Prevention and Management Plan provided by the Department of Education as a starting point since it contains activities, techniques, and tools to promote student and school success and reduce student loan defaults.

1.1 Benefits of Adopting a Default Prevention and Management Plan

Reducing student loan defaults and promoting student success will ensure that NZCC avoids any limitations on participation in the loan programs due to excessive cohort default rates (CDRs). Students benefit by having continued access to Title IV Student Financial Assistance Programs, learning good debt management practices, and establishing a healthy credit history. NZCC is actively committed to promoting student success, to helping its students learn, graduate, obtain employment, and demonstrate financial responsibility through repayment of the funds borrowed to finance their education.

1.2 Consequences of Default for Borrowers (students)

NZCC acknowledges that borrowers who default on student loans face serious consequences: Stafford Loans are considered in default after 270 days without payment. At the time of default, outstanding interest is capitalized, and collection fees may be added, resulting in a loan balance that is higher than the amount borrowed. Defaulted loans are reported to credit bureaus, causing borrowers to sustain long-term damage to their credit rating. Defaulters may also face difficulty in securing mortgages or car loans, may have their wages garnished, and their federal income tax refunds and other federal payments seized. Until the default is resolved, collection efforts continue and the defaulter will be ineligible for additional federal student aid. The DOE, guarantors, and servicers undertake many activities to prevent borrowers from defaulting. NZCC can play a critical role in helping borrowers avoid the damaging consequences of default with a minimal amount of time, effort, and expense.

1.3 Consequences of Default for Schools

NZCC acknowledges that it may face serious consequences due to high CDRs. Consequences include the loss of participation in the FFEL, Direct Loan, and/or Pell Grant programs, or be provisionally certified. NZCC has adopted effective, easy-to-implement tools that reduce defaults, promote student and school success, help preserve the integrity of the loan programs, and reduce costs to taxpayers.

Section 2 Early Stages of Enrollment

In accordance with DOE recommendations, that every school implement a default prevention and management plan, NZCC's Recruitment & Admissions team will undertake these required and recommended activities that make up a default prevention and management plan as early as during student registration to reduce the incidence of default.

2.1 Entrance Counseling

All first-time borrowers of the Direct Loan program, new students to NZCC or students changing their study plan are required to undertake entrance counselling at [Entrance Counseling | Federal Student Aid](#) prior to their loans being certified. These students familiarize themselves with their rights and responsibilities regarding student loans and get advised about:

- How the Master Promissory Note works
- The importance of repaying the loan
- The consequences of default, and
- Sample monthly repayment amounts

A copy of the Entrance Counselling is retained in the student file.

2.2 Financial Literacy for Borrowers

Upon the recommendation of the US Department of Education, NZCC strives to provide its borrowers with information concerning the income potential of occupations relevant to their course of study, counseling at various stages of enrollment, interactive tools to manage debt, repayment options, and school contact information. This is done through a variety of media such as the college website, informative sessions, adding the information to award letters as well as counselling. The College also recommends that students only borrow what they need; it is not a requirement to borrow the maximum available loan.

2.3 Early Identification and Counseling for Students at-Risk

The College is responsible for monitoring borrowers and identifying those who are at risk of non-progression or withdrawal. Students at-risk generally refers to borrowers who withdraw prematurely from their educational programs, borrowers who do not meet standards of satisfactory academic progress or both. NZCC has set counselling sessions for those students with a view to trying to retain those students. Every effort is undertaken to try and resolve any issues to prevent the student from withdrawing from the College.

US students will be referred to the Recruitment & Admissions Team to discuss the effect of withdrawing from studies on their Federal loans. Should they still wish to proceed they will be provided with information of Title IV refunds and asked to complete exit counselling

2.4 Communication Across Campus

All students who are recipients of US Federal loans are directed to the Financial Aid Consumer Information section of the NZCC website. Borrowers' academic progress and enrollment status are monitored regularly, and the information is accessible by all relevant offices across the College, including the office that authorizes and disburses US loan payments. In addition, we request confirmation from the Registrar's office of their

satisfactory academic progress prior to disbursing the funds. Up-to-date contact information for both the student and the next of kin is obtained from students at enrolment and stored in our student database.

Section 3 Late Stages of Enrollment

The following are default prevention activities that take place during the later stages of enrollment and after students have left school.

3.1 Exit Counseling

Graduating students and withdrawing students are reminded that they must undertake Exit Counselling as part of the conditions of borrowing US Federal Direct Loans. Students are directed to [Exit Counseling | Federal Student Aid](#) and are asked to confirm to the Recruitment & Admissions team that they have completed their Exit Counselling.

3.2 Timely and Accurate Enrollment Reporting

Timely and accurate enrollment reporting to the National Student Loan Data System (NSLDS) at regular intervals throughout the year is a mandatory condition of our eligibility to certify Direct Loans and NZCC will ensure that accurate information on enrollments is reported in a timely manner.

Section 4 After Students Leave School

There are effective default prevention and management activities for schools that will help borrowers during repayment. In addition, there are activities to help schools correct data and improve prevention and management practices and initiatives.

4.1 Maintain Contact with Former Students

NZCC finds that all of the practices and strategies mentioned previously are much easier to employ if the College is able to reach and keep in contact with its former students after they have left campus. By collecting ample reference information including cell phone numbers, e-mail addresses, and numbers and names of a variety of family members NZCC will have the resources to maintain contact with former students. One of the best methods schools can employ to avert defaults is to work with borrowers during every stage of repayment. Work with lenders, guaranty agencies, and servicers to identify delinquent and hard to reach borrowers, or those who have not been contacted at all to assist them with their repayment options and obligations. Contacting borrowers is an essential activity upon which successful default prevention and management can be built. NZCC firmly believes that contact from the College may be the only effective technique to save a borrower from the negative consequences of default.

4.2 Analyze Defaulted Loan Data to Identify Defaulter Characteristics

No matter how effective and far-reaching a default prevention and management plan is, some borrowers default. A major part of any plan is to periodically review progress in preventing defaults. One element of this review is a comprehensive analysis of defaulters. Defaulted loan data will be closely monitored to identify borrowers and to delve deep into the reasons for defaulting. The frequent examination of defaulter characteristics coupled with an assessment of default prevention and management successes and shortcomings can provide valuable information. They will allow the institution to promote success by taking preventive measures to correct ineffective practices thereby preventing current and future borrowers from experiencing the same difficulties that plagued past defaulters.

Section 5 Tools and Activities for Schools

We will make use of the recommended tools listed below to ensure data accuracy and use effective loan counselling and default prevention management techniques to aid students in receipt of Federal Aid and the College itself.

Where do I begin?

FSA Assessments for Default Prevention and Management

<http://www.ifap.ed.gov/qamodule/DefaultManagement/DefaultManagement.html>

Loan Counseling

Students and Counselors

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

The Student Guide and NSLDS for Students

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

How much will it cost?

<http://nces.ed.gov/ipeds/cool/>

<http://www.dlssonline.com/tools/search.asp> (for Direct Loan Borrowers)

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.bls.gov/search/ooh.asp?ct=OOH>

<http://data.bls.gov/PDQ/outside.jsp?survey=nc>

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://www.ifap.ed.gov/IFAPWebApp/qualityassurance/SFAAssessment.jsp>

Mapping Your Future

<http://www.mapping-your-future.org>

Jump Start Coalition for Personal Financial Literacy

<http://www.jumpstart.org>

Enrollment Reporting and Data Accuracy

NSLDS Enrollment Reporting Guide, formerly SSCR User's Guide

<http://www.ifap.ed.gov/nsldsmaterials/010904NSLDSEnrollRepGuide.html>

NSLDS Date Entered Repayment Report, School Repayment Information Loan Detail Report, and Enrollment Reporting Summary Report

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

NSLDS Reports, requesting and formatting questions.

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

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

<http://www.ifap.ed.gov/qamodule/DefaultManagement/DefaultManagement.html>

Ensuring Student Loan Repayment Best Practices

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

NSLDS Reports and Exit Counseling

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

NSLDS Reports, requesting and formatting questions.

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Late-Stage Delinquency Assistance (LSDA) Guide:

For Direct Loan Schools,

Direct Loan Servicing/Schools website, accessed via COD website.

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

For FFEL Schools,

Default Prevention Strategies

<http://www.ifap.ed.gov/qamodule/DefaultManagement/DefaultManagement.html> or contact your guaranty agency

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

ED Pubs, the Department of Education Online Publication Ordering System, helps you identify and order free publications from the Department. Examples of resources available at ED Pubs include the following:

- *Repaying Your Student Loans* (in English and Spanish)
- *The Student Guide*
- *Getting Ready to Pay for College*
- *Counselors and Mentors Handbook*

www.edpubs.org

1-877-4ED-Pubs or edpubs@inet.ed.gov