

Antelope Valley College

Default Prevention and Management Plan:

Overview

Antelope Valley College will adopt the Department of Education's Default Management Template. The activities in the Default Plan promote student and school success by increasing retention and reducing delinquency and defaults. There are several steps needed to effectively implement default management.

Background

School Default Rates 2-year FY2011, 2010, and 2009

| | FY2011 | FY2010 | FY2009 |
|-------------------------------|---------------|---------------|---------------|
| Default Rate | 19.3 | 23.7 | 21.8 |
| No. in Default | 264 | 313 | 181 |
| No. in Repayment | 1363 | 1320 | 827 |
| Enrollment figures | 20654 | 22340 | 19672 |
| Percentage Calculation | 6.5 | 5.9 | 4.2 |

School Default Rates 3-year FY 2010, FY 2009

| | FY2010 | FY2009 |
|-------------------------------|---------------|---------------|
| Default Rate | 32.6 | 33.2 |
| No. in Default | 277 | 277 |
| No. in Repayment | 832 | 832 |
| Enrollment figures | 19672 | 19672 |
| Percentage Calculation | 4.2 | 4.2 |

I. Data-Factors causing the default rate to exceed the threshold

Analysis Abstract

Method:

During the first meeting of the Default Management Team, a list of likely indicators of loan default status was generated. It is these variables that were to be used as independent variables in the stepwise logistic regression analysis. These variables are added to the logistic regression equation one at a time using specific inclusion criteria. The process of adding more variables to the logistic regression equation stops when either all of the independent variables have been added or when adding remaining variables no longer improves the predictive power of the regression model. The order in which independent variables are added to the logistic regression equation can be used as a measure of relative importance. Simply stated, variables entered into the model first are better predictors than variables entered later.

In order to identify which student-attributable factors serve as good predictors for student loan default, a stepwise binary logistic regression analysis was employed. Stepwise logistic regression is designed to find the most parsimonious set of predictor variables (independent variables) that are most effective in predicting the dependent variable. In this particular analysis the dependent variable is a binary variable which indicates whether a student has defaulted (DefaultIND=1) on their student loan or not (DefaultIND=0).

Results:

FY2009 Data Analysis

After completing the stepwise binary logistic regression analysis, five of the 32 independent variables (Table 1.1) available to the analysis were selected as significant predictors of the loan default status dependent variable: students' cumulative GPA, gender, total units attempted, whether a student had received an Ed Plan, and whether a student had ever attempted a remedial English course. It should be noted that this is not the best regression model to predict student loan default, but it is the best model possible given the 32 independent variables it had to choose from.

Upon further examination, by chance alone the accuracy rate of determining student loan default is calculated to be 73.9%. By employing the model resulting from this analysis, the accuracy rate of determining student loan default increases to 75.5%. As a general rule, one would like to see an increase in the accuracy rate increase by 25%. The model generated by the stepwise binary logistic regression analysis, though able to identify variables that increase prediction accuracy, is not very useful in increasing accuracy beyond what is estimated due to chance.

Table 1.1

| | |
|-----|------------------------------|
| 1. | Total Debt Amount |
| 2. | EFC |
| 3. | Dependency Status |
| 4. | FA Appeal |
| 5. | ESL |
| 6. | Math |
| 7. | English |
| 8. | Reading |
| 9. | Withdrawals |
| 10. | Units Earned |
| 11. | Units Attempted |
| 12. | Units Ratio |
| 13. | Cumulative GPA |
| 14. | Academic Probation |
| 15. | Gender |
| 16. | Ethnicity Category 1 |
| 17. | Ethnicity Category 2 |
| 18. | Ethnicity Category 3 |
| 19. | Ethnicity Category 4 |
| 20. | Ethnicity Category 5 |
| 21. | Ethnicity Category 6 |
| 22. | Ethnicity Category 7 |
| 23. | Certificate Major |
| 24. | Degree Major |
| 25. | Calworks |
| 26. | EOPS |
| 27. | Care |
| 28. | Office of Student Disability |
| 29. | Ed Plan |
| 30. | Follow-up |
| 31. | Orientation |
| 32. | Assessment |

Efforts to monitor the default rate have been in place within the Financial Aid Office. Departmental practices have been reviewed and efficiencies have been noted as well as efforts by the staff to implement strategies in an attempt to impact the default rate, anticipating the possibility of continued increase despite the department's efforts.

FY2010 Data Analysis

The method used to analyze default data for the FY2010 data was to take a small sampling of defaulters and look for commonalities in areas of poor academic outcomes, poor repayment outcomes, and poor employment outcomes. The following is a sample of the data elements reviewed.

Table 1.2

| | |
|-----|------------------------------|
| 1. | Certificate |
| 2. | Degree |
| 3. | Transfer |
| 4. | Program Complete |
| 5. | Academic Probation/Dismissal |
| 6. | Applied to Graduate |
| 7. | OSD |
| 8. | EOPS |
| 9. | STAR |
| 10. | CalWorks |
| 11. | Veteran |
| 12. | Foster Youth |
| 13. | CARE |
| 14. | Basic Skills |
| 15. | GPA less than 2.0 |
| 16. | \$20,000+ debt |
| 17. | Completion of Matriculation |

Results

90% of the students in the sample did not complete all the steps of matriculation which include assessment, orientation, counseling and development of a comprehensive educational plan.

100% of the students sampled did not complete their academic program

90% of the students sampled had an educational goal that was either certificate or associates degree and only 10% of the students sampled indicated transfer as their educational goal.

60% of the students sampled were not meeting financial aid academic progress standards.

60% of the students sampled had a G.P.A. below 2.0

50% of the students sampled were enrolled in basic skills courses.

50% of the students sampled were in a categorical/special population classification

100% of the students sampled did not complete loan exit counseling

Previous strategies and efforts were based on our two year rates. The Financial Aid Office implemented an online process to apply for loans, complete entrance and exit counseling. The changes and the increase of the 2-Year CDR and with the introduction of the 3-Year CDR per federal regulations, the Financial Aid Office at Antelope Valley College has implemented the following:

II. Actions the institution has/will take to improve student loan repayment and improve our default rate.

Early Stages of Enrollment

Entrance Counseling

Fall 2012-Required in-person entrance loan counseling for all Antelope Valley College students. If a student is interested in taking out a loan, the student will come to the Financial Aid Office and request a loan packet and an appointment for a loan workshop. The student will be provided a loan packet and given a workshop date. The student will attend the in person workshop and be given a certificate of completion. In the workshop the Financial Aid Office will give students the necessary information needed to take out a loan, how a master promissory note works, and consequences of default, interest rates, repayment options, and additional financial literacy publications.

In addition, the Financial Aid Office will have all students do online entrance counseling at studentloans.gov to learn the necessary information. Students will be provided financial literacy documents (ex. repaying your Student Loans Publication, entrance exam booklet). The student will have to complete the loan request form. On the form, students are required to calculate how much their previous loan debt and how much they are currently requesting. In order to ensure that students know how to navigate to NSLDS for students and to understand their monthly payments, students are required to provide a NSLDS print out, and a copy of the standard repayment calculator showing what their estimated monthly payments are anticipated to be. Loan request form attached.

(Attachment 2, Pages 30-32)

The Financial Aid Office will counsel our high limit borrowers. The student with an aggregated loan limit of \$30,000 or higher, will complete additional loan counseling. Antelope Valley College Financial Aid Office is dedicated to supporting student success. Many students enter debt without a clear picture of how it will affect them in the future. Our students with high loan amounts will fill out a worksheet explaining why they have borrowed a significant amount of loans, what their educational goals are, what their career goals are, and how much more loan money they will need to borrow to complete their educational goals. We hope that the worksheet will assist students to borrow responsibly. Attached is a copy of loan request form and the high borrower request form. (Attachment 3, Pages 33-36)

Starting fall 2013 the high borrower loan limit was dropped to \$20,000 increasing the number of students who received one on one loan counseling.

Financial Literacy for Borrowers

Original efforts addressing FY2009

In addition to the financial literacy information provided at the loan entrance counseling sessions, the Financial Aid Office will use the Antelope Valley College website to provide financial literacy to our borrowers. We will also send a mass email twice a year at the end of each semester directing students to the financial literacy information on our website and to remind students of their responsibilities as a student loan borrower.

Student borrowers are provided the following resources through the entrance counseling process and each subsequent year in which they borrow:

- Estimate of required monthly payments on the borrower's loan balance
- Calculators to help estimate and manage debt
- Loan servicer contact information
- Contact information for delinquency and default prevent assistance on campus
- Introduction to NSLDS for Students
- *Repaying Your Student Loans* publication

Updated efforts addressing FY2010

- Created a Financial Aid Facebook Page posting financial literacy information
- Posted financial literacy information on AVC website with a hyperlink to Cash Course website
- Contact with the California Community College's Chancellors Office regarding financial literacy information
- One on one meetings with high borrowers, doing a financial budget with them and explaining responsible borrowing

- Avcdebitcard.com gives financial literacy information to students. i.e.: budgeting and credit card debt
- We are in the progress of creating a Financial Aid Newsletter which will address financial literacy, loan information and debt management. The newsletter will be sent to students, faculty and staff to broaden knowledge on campus and in the community

Matriculation

Starting fall 2014 all student borrowers will be required to complete the four steps of matriculation. The steps of matriculation are:

- Orientation - The student is provided with information on a variety of academic programs, policies and procedures. The student learns about support services and receives assistance in selecting and scheduling classes
- Assessment -The student takes the English, reading and math assessment tests, subsequently a counselor uses the student's profile, test results and other criteria to help the student select appropriate English, math and other courses
- Counseling-The student receives advise in selecting courses and is provided information regarding transfers, certificates and degree programs, majors and career planning
- Education Plan - The student and counselor develop a comprehensive educational plan for their course of study

The California Community College's Chancellors Office has recently developed and implemented the Student Success Act which will require students to meet all the steps of matriculation in order to received priority registration. AVC has developed a Student Success Taskforce to address increasing student success, retention, and completion. The Director of Financial Aid is a standing member of the taskforce and will work in concert with the taskforce goals to increase student success and therefore reduce defaults. A request will be made to the Student Success Taskforce to work on ways to increase program and certificate completion.

Early Identification and Counseling for Students at-Risk

At-risk students

Updated efforts addressing FY2010

Students in the following at-risk groups will be identified and receive additional counseling: GPA of less than 2.0, students not meeting Financial Aid Academic Progress standards, students enrolled in Basic Skills courses, students in categorical/special programs.

Communication across campus

Original efforts addressing FY2009

The Financial Aid Office works closely with the enrollment services office and the office of business services to ensure that the right aid is getting to the right students. For example, a report is run right before loan refunds are issued to students to identify students who may have withdrawn between the time their loan funds were disbursed to their accounts and their loan proceeds are refunded to them. If there are students who are in zero units, those loan refunds are intercepted, the loan is cancelled, and the funds are returned via COD.

Updated efforts addressing FY2010

Since 50% of the students sampled were in a categorical/special program, the financial aid office will reach out to the special programs to develop strategies to increase counseling for these populations of students.

Default Prevention and Retention Staff

Updated efforts addressing FY2010

The Financial Aid Office has hired three additional staff members as of June 2013 to increase default prevention efforts.

Additional actions were taken for fall 2013 as follows:

- An email was sent to faculty with updated language explaining how to drop no-shows as it relates to Financial Aid
- Faculty on Default Committee took information to Academic Senate
- A workshop was held at the Faculty Welcome Back Event on the definition and importance of default management
- There is an ongoing discussion about faculty and staff doing online training about default management
- We are updating the Default Prevention Plan and are making it more public to the campus community

Late Stages of Enrollment

During the later stages of enrollment and after students have left school, there are many default prevention and management activities that Antelope Valley College will do to help reduce default and help ensure borrower and school success.

Exit Counseling

Original efforts addressing FY2009

Regulations require that schools provide exit counseling. Exit counseling is an effective way to prevent defaults and is often the last opportunity that borrowers have to work with someone at school regarding their loans. The Financial Aid Office will extend our services to any student that has borrowed a loan at Antelope Valley College, until the loan has been paid in full.

The Financial Aid Office requires students to do an exit counseling exam online, once they have graduated, ceased enrollment, or dropped below six units. A report that identifies students needing exit counseling was run on a monthly basis. Identified students are sent an email notifying them of the exit counseling requirements and a link to online exit counseling. Antelope Valley College loads exit counseling files from the department into our Banner system in order to track which students have completed the requirement online and which ones have not. Students who do not complete the online exit counseling after 30 days are mailed an exit counseling packet. The packet includes exit counseling booklet, NSLDS instructions, repaying your loan handout, and the exit counseling form. Students who fail to take the exit counseling exam, either online or by bringing in the form, will have a hold placed on their student account. In an effort to give students more information regarding loan repayment our action items include holds on in person exit counseling. A sample exit letter is attached. (Attachment 4, Page 37)

A week after the Financial Aid Office has sent the student the exit counseling information we will send the student the "First Contact Letter". This letter explains that they will be going to repayment after their six month grace period and how they can obtain a deferment. A sample letter is attached. (Attachment 5, Page 38)

Updated efforts addressing FY2010

Based on the FY2010 data analysis, 100% of the students who defaulted had not completed exit counseling.

In an effort to reach students more promptly when exit counseling is required, the report to identify students needing the counseling will be run bi-weekly rather than on a monthly basis.

Since we have implemented placing holds on students who need to complete exit counseling, 37% of the students who had holds have completed in-person exit counseling with financial aid staff. We believe continuing to place holds on student accounts will continue to increase the percentage of students completing in-person counseling.

Enhanced Entrance and Exit Counseling

In addition to complying with the entrance and exit counseling requirements, Antelope Valley College's entrance and exit counseling also include the following:

Requests for Borrower Information

- During entrance and exit counseling, obtain information from borrowers regarding references and family members beyond those requested on the loan application. Ask for cell phone numbers and email addresses for borrowers and for family members
- During exit counseling, obtain updated information from borrowers including their addresses, cell phone numbers, email addresses, and addresses of their references and various family members

Information about Repaying the Loan

- Estimated balance of loan(s) when the borrower completes the program
- Interest rate on the borrower's loan(s)
- Name, address and telephone number for the borrower's lender
- During exit counseling, provide a sample loan repayment schedule based on the borrower's total loan indebtedness
- Estimated monthly income that the borrower can reasonably expect to receive in his or her first year of employment based on the education received at your school
- Estimated date of the borrower's first scheduled payment

Reminders about Personal Financial Management and Title IV Loans

- Antelope Valley College will provide financial literacy resources to borrowers at enrollment, throughout attendance, and following graduation or withdrawal
- Students should borrow only what is needed and can cancel or return any funds in excess of what is needed
- Borrowers must inform their lenders immediately of any change of name, address, telephone number, or social security number
- If a borrower is unable to make a scheduled payment, he or she should contact the lender before the payments due date to discuss a change in repayment plan or other repayment options
- General information should be provided about:
 - Repayment options
 - The sale of loans by lenders and the use by lenders of outside contractors to service loans

Withdrawals

Antelope Valley College refers students who have withdrawn to the Job Placement Center for services.

Timely and Accurate Enrollment Reporting

Antelope Valley College reports student enrollment 4 times a semester via the National Student Clearinghouse.

After Students Leave School

Antelope Valley College will participate in default prevention and management activities that will help borrowers during repayment. In addition, Antelope Valley College will participate in activities to correct data and improve prevention and management practices and initiatives.

NSLDS Date Entered Repayment (DER) Report

Antelope Valley College accesses the DER report on a bi-monthly basis, views it for accuracy, and makes any necessary changes using NSLDS Enrollment Reporting.

Early Stage Delinquency Assistance (ESDA)

ESDA begins at the time of separation or early in the grace period. With the combined efforts of the loan servicers, guarantors, and the institution, we will assist borrowers and prepare them for entry into loan repayment. The Financial Aid Office continues to contact students, until their loan are paid in full.

Every month, Antelope Valley College extracts a delinquency report (Comma Delimited) from NSLDS to complete a mail merge. We send out a Grace Letter during the student's grace period, and a Thank You Letter once we have made contact with the student. Delinquent Letter #1 is mailed out to all students that are 30-120 days delinquent, Delinquent Letter #2 is sent to all students who are 121-240 day delinquent, Delinquent Letter #3 is sent to all students who are 241-360 days delinquent, and a Default Letter is sent to students who are over 361 days delinquent. Attached are sample letters. (Attachment 6, Pages 39-41)

The Financial Aid Office also makes calls to students who are on our delinquency reports. The reports are pulled weekly from the servicer websites. In an effort to give more information to students regarding repayment our action items include placing holds on students that are delinquent on their loan.

Late Stage Delinquency Assistance (LSDA)

Though guarantors and the servicers are effective in working with borrowers through repayment, they lose touch with some borrowers. During late stages of delinquency the financial aid office will continue to try to make contact with the borrower. We also send out Delinquent letter #3 to the students that are delinquent 241-360 days. The Financial Aid Office also makes calls to students that are on our delinquency reports. In an effort to give more information to students regarding repayment our action items include placing holds on students that are delinquent on their loan.

Maintain Contact with Former Students

Antelope Valley College collects ample reference information including cell phone numbers, email addresses, numbers and the names of a variety of family members such as grandparents and cousins in an attempt to maintain contact with former students.

Loan Record Detail Report (LRDR) Data Review

The Financial Aid Office examines the draft and official CDR data to ensure that the rates are accurate and include the correct borrowers and loans. We will challenge incorrect data, request adjustments, or submit an appeal when inaccurate data is reflected in our CDR.

Analyze Default Loan Data to Identify Defaulter Characteristics

Antelope Valley College will continue to analyze the defaulted students to see if any additional characteristics are found that accurately identify defaulter characteristics.

Default Task Force

The Financial Aid Director (FA Director) and the Dean of Student Services have identified a multi-discipline membership for a Default Management task force and it has been assembled.

The purpose of the task force is to assist in analysis, advice, and make suggestions for lowering the Cohort Default Rate (CDR), assist in garnering college wide awareness and support to improve/change college policies and procedures with recommendations to Cabinet.

The Task Force will be responsible to develop a Default Management Plan for Antelope Valley College. They will be responsible to guide implementation, evaluation and modification of the plan based on data analysis of financial aid statistics. The goal is to decrease the current default rate below the identified federal threshold, align with federal compliance, provide resources to students for financial literacy, and increase college awareness.

We identified the people who are part of our task force and understand that the task force is required by regulation at 34 CFR 668.217. The task force is representative of all aspects of institutional operation, given that default risk arises from poor education outcomes, poor employment outcomes and/or poor repayment outcomes. The task force is familiar with and connected to all of these areas of school activities.

The task force will perform an executive and management function in the default prevention process, retaining ownership of the entire process, from creating the default prevention plan to monitoring results and making changes as necessary.

- The task force will conduct an analysis to determine who is defaulting and why
- The task force will create, from this analysis, a set of interventions/steps which address the results of the foregoing analysis (i.e., risk that comes from poor educational outcomes, poor employment outcomes and/or poor employment outcomes)
- The task force will create a strategy to execute these steps, assigning responsibility for carrying out these steps, establishing deadlines for reporting results; establishing deadlines for completion
- The task force monitors and measures the results of these steps and where necessary, make adjustments
- The committee will continue to meet, analyze data and implement action items

Frequency of Meetings: Initial meeting occurred on August 1, 2012. There have been a total of seven meetings. Future meetings will be held on monthly basis.

Members

- Dean of Student Development and Services, Dr. Jill Zimmerman (Committee Chair)
- Director of Financial Aid, Sherrie Padilla
- Director of Job Placement, Ann Steinberg
- Director of Institutional Effectiveness, Research & Planning, Dr. Meeta Goel
- Dean of Enrollment Services, LaDonna Trimble
- Director of Calworks, Tim Wiley
- Disability Services Specialist, Tamira Palmetto Despain
- Faculty, Jack Halliday
- Financial Aid Specialist, Vanessa Gibson
Financial Aid Technical Analyst, Yuliana Martinez
- Financial Aid Technician II, Gloria Mills
- Student Representative, Keziah Arnold

This group has met and has begun to formulate a four-prong approach that will address (A) retention strategies, (B) institutional awareness, (C) debt management for Antelope Valley College students who apply for and receive student loans, and (D) default management for Antelope Valley College students who have borrowed student loans.

Retention Strategies

Antelope Valley College is embarking on an ambitious plan to strengthen the retention of its students. Policies are being added, or enhanced to increase the current retention rate. Although the strategies for retention are not based on the loan cohort default rate, Antelope Valley College is noting the guidance to go beyond financial aid processes and will be integrating the retention strategies. Addressing the student in multiple areas of admissions and enrollment processes, academic achievement, and financial responsibility will add additional depth to this plan as well as involve the college registration holds on all new students.

A) Retention Strategies

Original efforts addressing FY2009

- 1) Registration holds and records hold
 - Registration and records holds on all students that are delinquent on loans
 - Registration and records holds on students that have not completed exit counseling
 - Registration and records holds on all students that are on skip tracing reports

Updated efforts addressing FY2010

In an effort to make contact with more student borrowers the following registration and records hold were placed starting Fall 2013:

- Exit Holds, 2601 Placed, 969 released, 37%
 - Delinquent Holds, 1353 placed, released 68, 5%
 - Contact Information Holds, 188 placed, 5 released, 3%
 - Total Holds Placed, 4142 placed, 1042 released, 25%
- 2) Review the “No show”, “Drop” and “Withdrawal” policy and ensure students are dropped out of classes.

Original efforts addressing FY2009

- Allow faculty to drop students online, to ensure students are dropped out of classes instead of receiving a “W”, which could cause them to be in the wrong cohort
- Add information to the procedures for enrolling letter that is sent to all staff members, to explain the importance of dropping the no show students

Updated efforts addressing FY2010

- Updated language on email to faculty explaining the need to drop no-shows, as it relates to Financial Aid
 - Faculty on Default Committee will take to Academic Senate
- 3) Training for faculty and staff regarding the definition and importance of default management.

Original efforts addressing FY2009

- Professional development training
- Division meetings
- Administrative council meetings

Updated efforts addressing FY2010

- A workshop was held at the Faculty Welcome Back Event on the definition and importance of default management
 - Discussion about faculty and staff doing online training
- 4) Develop a Default Management Plan

Original efforts addressing FY2009

- Create a default plan, make revisions and identify new strategies
- Determine implementation and management of plan

Updated efforts addressing FY2010

- Update plan and make more public to the campus community

- 5) Hire additional staff to assist with default management and other needs in office
 - Additional staff were hired in the financial aid office

Institution Awareness

Antelope Valley College will outreach to all constituents including, faculty, staff and students. The goal will be to bring the issue of financial literacy to the forefront and provide our college community with avenues to be able to learn and incorporate strategies to becoming financially healthy.

B) Institution Awareness

Original efforts addressing FY2009

- 1) Student Outreach
 - Start a financial aid newsletter to ensure students are getting enough financial literacy information. Send newsletter 2-3 times a year
 - FAFSA workshops- to assist students with additional help on filling out the loan packet, and answer any questions
 - Loan workshops- the Financial Aid Office has implemented as of fall 2012 a loan workshop that all students that are interested in borrowing must attend
 - Financial literacy posters- will post more financial literacy information on campus

Updated efforts addressing FY2010

- Reach out to categorical programs to reach at-risk students
- Created a Financial Aid Facebook Page posting financial literacy information
- Posted financial literacy information on AVC website with hyperlink to Cash Course website
- Contact California Community College's Chancellors Office regarding financial literacy information
- Continue meeting with high borrower students and doing a financial budget. Explaining responsible borrowing
- At risk students who are not meeting FA academic standards will be required to complete an additional loan worksheet and additional in-person counseling.
- Avcdebitcard.com gives financial literacy information to students.
- Meeting with Inceptia about financial literacy courses available to students
- We are in the progress of creating a Financial Aid Newsletter which will address financial literacy, loan information and debt management. The newsletter will be sent to students, faculty and staff to broaden knowledge on campus and in the community

2) Faculty outreach

- We are in the progress of creating a Financial Aid Newsletter which will address financial literacy, loan information and debt management. The newsletter will be sent to students, faculty and staff to broaden knowledge on campus and in the community
- Attend division meetings on a regular basis, to give additional information to faculty.

Updated efforts addressing FY2010

- Financial Aid Director to attend Dean's meeting and faculty meetings
- Contact California Community College's Chancellors Office regarding financial literacy information
- Posted financial literacy information on AVC website with hyperlink to Cash Course website
- Created a Financial Aid Facebook Page posting financial literacy information
- Discussion of faculty and staff online training
- We are in the progress of creating a Financial Aid Newsletter which will address financial literacy, loan information and debt management. The newsletter will be sent to students, faculty and staff to broaden knowledge on campus and in the community

3) Staff Awareness

- Financial aid newsletter-send newsletter to all staff via email
- Attend division meetings on a regular basis

Updated efforts addressing FY2010

- Financial Aid Director to attend Deans meetings and faculty meetings
- Contact California Community College's Chancellors Office regarding financial literacy information
- Posted financial literacy information on AVC website with hyperlink to Cash Course website
- Created a Financial Aid Facebook Page posting financial literacy information
- Discussion of faculty and staff online training
- We are in the progress of creating a Financial Aid Newsletter which will address financial literacy, loan information and debt management. The newsletter will be

sent to students, faculty and staff to broaden knowledge on campus and in the community

Debt Management

Implementing requirements at Antelope Valley College for all student borrowers, communicating the process, and holding students accountable for their financial debt are critical. Student intervention, prevention and coaching strategies will be included which will involve increased staff time. The intent is the long term relationship that will be established, to increase student learning, and accountability. These activities will lower student loan debts, defaults, and ultimately result in an acceptable and manageable cohort default rate.

C) Debt Management

1) Enhanced Entrance Loan Counseling

Original efforts addressing FY2009

- Continue in-person loan counseling for all Antelope Valley College students beginning the fall 2012 semester
- Begin collecting additional contact information (physical addresses, telephone numbers, email addresses, etc. for skip tracing efforts after students leave school

Updated efforts addressing FY2010

After attending a loan workshop for the fall 2013 semester, 280 students chose not to take out a loan; an additional 22 students turned in their loan packet but did not accept their loan.

- 1,981 Students attended a loan workshop
- 1,701 Students turned in loan packet
- 1,679 Students accepted a loan

2) Student Loan Process

Original efforts addressing FY2009

- Review and discuss current student loan process with the default management task force

- Reduce high borrower loan limit to \$20,000 for the fall 2013, require high borrowers' worksheet and additional in-person counseling
- Fall 2013-require students to participate in financial literacy counseling

Updated efforts addressing FY2010

The following actions were taken for the fall 2013 semester:

- Reduced loan limit for high borrowers to \$20,000
- One on one meetings with all high borrowers before they were eligible to borrow any additional funds
- Increased education to students on responsible borrowing
- 458 High loan borrower packets were given out for fall semester
- 399 Students turned in High Borrower packet
- 399 Students met with their loan technician

3) At-Risk Students

Original efforts addressing FY2009

- Continue to identify at-risk students that have borrowed student loans at Antelope Valley College and require them to meet with the Financial Aid Office.

Updated efforts addressing FY2010

The following items will be implemented for fall 2014

- At risk students who are not meeting FA academic standards will be required to complete an additional loan worksheet and additional in-person counseling.
- Additional at-risk students identified
- At-risk students will be required to turn in educational plans.

Default Management

The College will continue proactive interventions to assist the student loan borrowers in their financial responsibility.

D) Default Management

Original efforts addressing FY2009

- 1) Reduce or deny student loans on a case by case basis

Updated efforts addressing FY2010

The following were implemented fall 2013:

- 458 High borrower loan packets were given out for the fall 2013 semester, 399 students turned in high borrower packets and met with their financial aid loan technician
- Letters were sent to all students whose loans were reduced or denied on a case by case basis

2) Internal Process

Original efforts addressing FY2009

- Contact students that have been mailed exit counseling packets to ensure receipt and to recommend an appointment to discuss their student loans
- Request and utilize NSLDS reports such as delinquent borrowers report, date entered repayment report, etc. on a monthly basis
- Continue to review the draft CDR for incorrect data and submit a challenge to the Department of Education
- Utilize delinquent borrower reports from student loan servicing companies, and assist them with skip tracing efforts using additional contact information collected in enhanced loan counseling
- Continue to make phone calls to all delinquent borrowers

Updated efforts addressing FY2010

- Implemented April 2013, contacting students when holds placed on their account
- Continue to request reports through NSLDS
- Continue to review CDR for incorrect data
- Continue to make phone calls to all delinquent borrowers
- Continue to pull reports from servicers' websites to ensure accurate information
- Contact the California Community College Chancellors Office Default Vendors to hire a third party servicer to help with default calls and letters. – under discussion

III. Action Items and Measurements

Attached is Antelope Valley College’s action item list and measurable objectives.

(Attachment 1, Pages 21-29)

Attachment 1

AVC Default Management Plan (Revised December 2013) – Action Items

| Suggested Action Item | Recommendation | Person/Area Responsible | Metric(s) | Update |
|--|---|--------------------------------|--|---|
| <p><u>A. Retention Strategies</u></p> <p>1. Registration and records holds on all students that are delinquent on loans</p> <p>2. Registration and records holds on students that have not completed Exit Counseling</p> <p>3. Place Holds on all Skip Tracing students</p> | <ul style="list-style-type: none"> Start placing registration and records holds on all delinquent students. Start placing registration and records holds on students that have not completed Exit counseling. Start placing registration and records holds on students that are coming up on skip tracing reports | FAO Office | <ul style="list-style-type: none"> Increase students contacted by 20% | <p>Completed: Started placing holds in April 2013</p> <p>Exit Holds: 37% Placed: 2601 Released: 969</p> <p>Delinquent Holds: 5% Placed: 1353 Released: 68</p> <p>Contact Info Holds: 3% Placed: 188 Released: 5</p> <p>Total holds placed 4,142 total holds released 1,042 total percentage 25%</p> |

| Suggested Action Item | Recommendation | Person/Area Responsible | Metric(s) | Update |
|--|--|---|--|--|
| | | | | |
| <p><u>A. Retention Strategies</u></p> <p>4. Review and revise the no show policy to ensure students are dropped out of classes instead of receiving a "W" which could cause them to remain in the cohort.</p> | <ul style="list-style-type: none"> • Allow faculty to drop students online • Deans to give information to faculty and staff • Academic Senate • Add information about how important it is to drop your students, to the procedures for enrolling students letter | Records Office/FAO | <ul style="list-style-type: none"> • Monitor progress to implementation policy • Survey faculty to monitor awareness | <p>Updated language on email to faculty to explain the need to drop no shows, as it relates to Financial Aid.</p> <p>Faculty on Default Committee will take to Academic Senate</p> |
| <p><u>A. Retention Strategies</u></p> <p>5. Training for faculty and staff regarding definition and importance of default management .</p> | <ul style="list-style-type: none"> • Ensure adequate training is included in the default management plan. • Professional Development Training • Division Meetings • Admin Council Meetings | Dean of Student Development and Services | <ul style="list-style-type: none"> • Survey faculty to monitor awareness | <p>Held workshop at Faculty Welcome Back event</p> <p>Discussion about faculty and staff doing online training.</p> |
| <p><u>A. Retention Strategies</u></p> <p>6. Cohort action plan</p> | <ul style="list-style-type: none"> • Create Default plan, make revisions and identify new strategies. Determine implementation and management of plan. | Dean of Student Development/ Financial Aid Office/Default Management Task Force | <ul style="list-style-type: none"> • Measure success toward implementation of strategies | <p>Completed November 2012</p> <p>Updating plan and to make more public to the campus community.</p> |

| Suggested Action Item | Recommendation | Person/Area Responsible | Metric(s) | Update |
|---|---|---|---|--|
| | Completion by end of November 2012. | | | |
| A. Retention Strategies 7. Hire additional staff to assist with default management and other needs in the office. | <ul style="list-style-type: none"> Requesting additional staff members to assist with default management and other staffing needs in the office. | Dean of Student Development/ Financial Aid Office | <ul style="list-style-type: none"> Measure staffing levels | Completed July 2013 Additional staffs were hired in the financial aid office to help with default management. |
| B. Institution Awareness 1. Student Outreach <ul style="list-style-type: none"> FAFSA Workshops Loan Workshops FA Newsletter | <ul style="list-style-type: none"> Start a FA Newsletter – begin more Financial Literacy information 2 times a year FAFSA Workshops Loan Workshops Financial Literacy posters and emails. High Borrower meetings Updating school publication to include financial literacy and debt management. | Financial Aid Office | <ul style="list-style-type: none"> Survey to measure awareness | Created FA Facebook Page, posting financial literacy information. Posted financial literacy information on AVC website with a hyperlink to the Cash Course website. Contact with the Chancellors Office regarding financial literacy information ie. Posters, Websites. Meeting with high borrower students and doing a financial budget. Explaining responsible borrowing. |

| Suggested Action Item | Recommendation | Person/Area Responsible | Metric(s) | Update |
|--|---|--|--|---|
| | | | | <p>Avcdebitcard.com gives financial literacy information to students. i.e. Budgeting and credit card debt.</p> <p>Meeting with Inceptia about financial literacy courses available to students</p> <p>Newsletter in progress</p> |
| <p><u>B. Institution Awareness</u> 2. Faculty Outreach</p> <ul style="list-style-type: none"> • FA Newsletter • Attend Division meetings | <ul style="list-style-type: none"> • Start a FA Newsletter – begin more Financial Literacy information. • Attend Division meetings on a regular basis. • Send newsletter to faculty via email. • Updating school publication to include financial literacy and debt management. | <p>Financial Aid office/ Dean of Student Development / Faculty</p> | <ul style="list-style-type: none"> • Percentage change in number of timely drops/withdrawals • Survey to measure awareness | <p>Newsletter in progress</p> <p>Financial Aid Director to attend Dean meetings and faculty meetings.</p> <p>Contact with the Chancellors Office regarding financial literacy information i.e. Posters, Websites.</p> <p>Posted financial literacy information on AVC website with a hyperlink to the Cash Course website.</p> <p>Created FA Facebook Page, posting financial literacy information.</p> |

| Suggested Action Item | Recommendation | Person/Area Responsible | Metric(s) | Update |
|---|---|--|---|--|
| | | | | Discussion of faculty and staff online training. |
| <p><u>B. Institution Awareness</u></p> <p>3. Staff Awareness</p> <ul style="list-style-type: none"> • FA Newsletter • Attend department meetings | <ul style="list-style-type: none"> • Start a FA Newsletter – begin more Financial Literacy Information. • Attend department meetings on a regular basis • Send newsletter to staff via email • Updating school publication to include financial literacy and debt management. | Financial Aid Office/Dean of Student Development | <ul style="list-style-type: none"> • Survey to measure awareness | <p>Newsletter in progress</p> <p>Financial Aid Director to attend Dean meetings and division meetings.</p> <p>Contact with the Chancellors Office regarding financial literacy information i.e. Posters, Websites.</p> <p>Posted financial literacy information on AVC website with a hyperlink to the Cash Course website.</p> <p>Created FA Facebook Page, posting financial literacy information.</p> <p>Discussion of faculty and staff online training.</p> |
| <p><u>C. Debt Management</u></p> <p>1. Enhanced Entrance Loan Counseling</p> | <ul style="list-style-type: none"> • Continue in-person Entrance Loan Counseling for all AVC students beginning fall | Financial Aid Office | <ul style="list-style-type: none"> • Track total number of students attending in person sessions. • Compare delinquency/default | <p>Implemented Fall 2012</p> <p>Number of students that attended a loan workshop =</p> |

| Suggested Action Item | Recommendation | Person/Area Responsible | Metric(s) | Update |
|--|---|-------------------------|--|---|
| <ul style="list-style-type: none"> In-person Entrance Counseling Collect additional contact information | 2012. <ul style="list-style-type: none"> Begin collecting additional contact information (physical addresses, telephone numbers, email addresses, etc. for skip tracing efforts after students leave school. | | t of in-person vs. on-line methods with prior years. <ul style="list-style-type: none"> Track number of students contacted. | 1981 Number of students that attended a loan workshop and turned in loan packet for the Fall 2013 semester= 1701 students Number of students that accepted a loan=1679 students |
| <p>C. Debt Management</p> <p>2. Student Loan Processes</p> <ul style="list-style-type: none"> Loan Request Packet NSLDS Printout Student loan Calculator Proof of entrance counseling Proof of Master Prom Note High Borrower Worksheet | <ul style="list-style-type: none"> Review and discuss current student loan process with Default Management Committee. Additional Documentation required for students with a loan debt of \$30,000 or higher and complete additional counseling. Reduce Loan limit to \$20, 000 for Fall 2013, require High Borrower worksheet and additional Counseling Require students to take Financial Literacy counseling through studentloans.gov | Financial Aid Office | <ul style="list-style-type: none"> Compare delinquency/default with prior years. Track number of students who reduce loan request amount or decide to not borrow. Survey students to measure effectiveness of financial literacy efforts. | Implemented Fall 2013, reduced loan limit for high borrowers to \$20,000. Meeting with all high borrowers before they are eligible to borrow any additional funds. Increased education to students on responsible borrowing. Not Completed- Requiring students to take financial literacy counseling through studentloans.gov 458 High borrower loan packets were given out for the fall semester |

| Suggested Action Item | Recommendation | Person/Area Responsible | Metric(s) | Update |
|--|--|-------------------------------------|---|--|
| | before they can receive the spring portion of their loans. | | | 399 students turned the high borrower loan packet to the financial aid office. 399 students have met with their loan technician. |
| <p>C. Debt Management</p> <p>3. At-risk students FY2009</p> <ul style="list-style-type: none"> • Students on SAP Warning and Probation • Return of Title IV Funds (R2T4) students • Students that have not met with a counselor and received an Ed Plan <p>FY2010</p> <ul style="list-style-type: none"> • GPA of less than 2.0 • Students not meeting Financial Aid Academic Progress standards • Students enrolled in Basic Skills courses • Students in categorical/special | <ul style="list-style-type: none"> • Continue to identify at-risk students that have borrowed student loans at AVC and require them to meet with the Financial Aid Office. • At risk students will meet with Financial Aid office/ Counseling to ensure student success. • Require students to complete all four steps of matriculation – assessment, orientation, counseling, education plan • Require at risk students to turn in an educational plan with loan packet | Financial Aid Office/ Counseling | <ul style="list-style-type: none"> • Track number of students advised (compare academic progress/delinquency/default). • Track number of students who did/did not follow their established academic plan. • Track academic performance of those students who did/did not follow their established academic plan. | <p>Not Completed</p> <p>Student Success</p> <p>Discussion about what steps to take with our at risk students with the Default Committee.</p> <p>Additional at-risk groups have been identified</p> |

| Suggested Action Item | Recommendation | Person/Area Responsible | Metric(s) | Update |
|---|---|-------------------------|---|---|
| programs | | | | |
| <p><u>D. Default Management</u></p> <p>1. Reduce or deny student loan requests</p> | <ul style="list-style-type: none"> • Reduce or deny student loans on a case-by-case basis. | Financial Aid Office | <ul style="list-style-type: none"> • Track number of reduced/denied loans. • Compare academic progress and delinquency/default. | <p>Began Fall 2013</p> <p>Reducing loans and denying loans on a case by case basis.</p> <p>Sending letters to students to explain why their loan has been denied or reduced.</p> <p>458 High borrower loan packets were given out for the fall semester</p> <p>399 students turned the high borrower loan packet to the financial aid office. 399 students have met with their loan technician.</p> |

| Suggested Action Item | Recommendation | Person/Area Responsible | Metric(s) | Update |
|--|--|-----------------------------|--|---|
| <p><u>D. Default Management</u></p> <p>2. Internal processes</p> <ul style="list-style-type: none"> • Contact students on Exit Counseling list • NSLDS reports • Challenge draft CDRs • Loan servicing borrower delinquency reports and skip tracing • Exit Counseling | <ul style="list-style-type: none"> • Contact students that have been mailed Exit Counseling packets to ensure receipt and to recommend an appointment to discuss their student loans. • Request and utilize NSLDS reports such as Delinquent Borrowers report, Date Entered Repayment report, etc. on a monthly basis. • Continue to review the Draft CDR for incorrect data and challenge with Department of Education. • Utilize delinquent borrower reports from student loan servicing companies, and assist them with skip tracing efforts using additional contact information collected in enhanced Entrance Loan Counseling. | <p>Financial Aid Office</p> | <ul style="list-style-type: none"> • Track number of students who complete exit counseling. • Track delinquency/default. | <p>Implemented on April 2013, contacting students when holds were placed on their account.</p> <p>Continued to request reports through NSLDS.</p> <p>Continued to review CDR for incorrect data</p> <p>Continued to make phone calls to all delinquent borrowers.</p> <p>Continued to pull reports from servicers' websites to ensure accurate information.</p> <p>Contact with California Community College's Chancellors Office Default Prevention Vendors to hire a third party servicer to help with default calls and letters.</p> |

| Suggested Action Item | Recommendation | Person/Area Responsible | Metric(s) | Update |
|-----------------------|---|-------------------------|-----------|--------|
| | <ul style="list-style-type: none"> Continue to make phone calls to all delinquent borrowers. | | | |

Attachment 2



ANTELOPE VALLEY COLLEGE

Financial Aid Office

LOAN REQUEST FORM

Antelope Valley College

Default Plan

Student _____ I.D. # _____ Phone # _____

Annual Loan Limits: The chart below indicates the maximum annual loan limits for both subsidized and unsubsidized loans first disbursed on or after July 1, 2008, for dependent and independent students based on academic level.

STEP 1

ANNUAL LOAN LIMIT

| Dependent Students | | | |
|---------------------------|------------------------|--------------------------|-------------------|
| Academic Level | Subsidized Loan Limits | Unsubsidized Loan Limits | Total Direct Loan |
| Freshman <30units | \$3,500 | \$2,000 | \$5,500 |
| Sophomore \geq 30 units | \$4,500 | \$2,000 | \$6,500 |
| Independent Students | | | |
| Academic Level | Subsidized Loan Limits | Unsubsidized Loan Limits | Total Direct Loan |
| Freshman <30 units | \$3,500 | \$6,000 | \$9,500 |
| Sophomore \geq 30 units | \$4,500 | \$6,000 | \$10,500 |

Your Academic Level:

1st Year _____ 2nd Year _____ Number of Units Completed _____ As of _____ Date

Amount of loan requested: Subsidized \$ _____ Unsubsidized \$ _____

STEP 2

You must log in to National Student Loan Database System (NSLDS) and print a copy of your loan history. www.nsls.ed.gov. Use the information from the NSLDS website to fill in the table below.

| Your Total Loan Debt | | |
|--------------------------------|-------|----------|
| Total Previous Loan Debt | SUB | \$ _____ |
| | UNSUB | \$ _____ |
| Amount of Current Loan Request | SUB | \$ _____ |
| | UNSUB | \$ _____ |

| | | |
|----------------------|-------|----|
| Total Combined Loans | TOTAL | \$ |
|----------------------|-------|----|

STEP 3

Use the total from above to help you determine how much you really need to pay for your education. Use the Standard Repayment Calculator at www.ed.gov to get an idea of your total loan expenses. Please print out a copy of your estimated standard repayment from the Standard Repayment Calculator and attach to this form.

STEP 4

Before your loan can be disbursed you are required to complete Loan Entrance Counseling by signing into the www.studentloans.gov website with your Federal PIN. This counseling session provides you with information that will help you understand your rights and responsibilities as a loan borrower, as well as tools to assist you with managing your loans. PRINT THIS OUT

STEP 5

You will also be required to complete a Master Promissory Note (MPN) before the loan funds will be disbursed. In most cases, you will only be required to complete one MPN during your college career at AVC, provided you are borrowing a Direct Stafford Loan. You complete your Federal Direct Loan MPN by signing into the www.studentloans.gov website with your Federal PIN. PRINT THIS OUT

STEP 6

When you submit your loan request you must bring in your original driver’s license or state ID along with your AVC Identification card. In order to borrow a Federal Direct Loan at AVC, this form must be completed and returned to the Financial Aid Office with all documentations requested.

TERMS AND CONDITIONS

Financial aid is contingent upon the following:

- The availability of funding is provided by the U.S. Department of Education
- You are meeting the satisfactory academic progress standards
- The information reported on your application is accurate and you have reported all sources of income and resources
- You must be enrolled at AVC at least 6 units and attending classes related to your Student Education Plan with a degree objective leading to an AA, AS or certificate
- Students who are enrolled concurrently either in high school or another institution of higher education are not eligible for a loan
- If you withdraw after receiving financial aid funds, you may owe a portion of what you received back to the federal government

I understand by signing this form I am requesting a Federal Direct Student Loan, I have accepted the terms and conditions, and that the loan request will only be completed if I meet all eligibility requirements.

Signature Date

For Office Use:

Enrolled Units: Fall _____ Intersession _____ Spring _____ Summer _____

Number of Units Completed: _____ Dependency Status: _____

Fall/Spring/Summer _____ Fall only _____ Spring only _____ Summer only _____

COA _____

EFC (-) _____

Resources (-) _____

Unmet Need (=) _____

Minus FA (-) _____

Total Unmet Need (=) _____

Awarded Sub \$ _____ Unsub \$ _____

Loan request completed : Yes No

Technician Signature Date

Attachment 3



ANTELOPE VALLEY COLLEGE

Financial Aid Office
3041 West Avenue K
Lancaster, CA 93536-5426
(661) 722-6300 ext. 6337

**Worksheet for Student Borrowers
with High Loan Debt
2013-2014**

Dear Potential Student Borrower:

The Antelope Valley College Financial Aid Office is dedicated to supporting student success. Often, some students need to borrow money to help with school related expenses. Typically, a student who needs to borrow money to get through school is making a good investment for the future. However, many students enter into debt without a clear picture of how it will affect them in the future. We hope that following worksheet will assist students with borrowing responsibly.

Student _____ I.D. # _____ Phone _____

Please fill out

1. The educational goal/program I am enrolled in at AVC is:

2. The career goal/type of work I plan to do after completing my educational goal is (including transfer if applicable): _____
3. The month and year I expect to complete my educational goals are (including transfer if applicable) _____
4. I have developed a student educational plan with the counseling department.
YES _____ NO _____
You must attach a copy of a current educational plan to be considered for the loan. (must not be a year old)
5. I currently owe \$ _____ in student loans.
6. I plan to borrow \$ _____ this academic year at AVC.

Antelope Valley College
Default Plan

- 7. After this year I expect I will need to borrow a total of \$ _____ in addition, to complete my goal.
- 8. I expect my total debt to be \$ _____ upon completing my educational goal (including transfer if applicable)
- 9. On a standard 10 year payment plan, my approximate loan payment will be \$ _____ per month.
A loan calculator may be found at studentloans.gov.

10. Please explain in detail why you have borrowed a significant amount of loans at the community college level of education? _____

11. Please explain in detail what your plans are for funding the remainder of your education? _____

I understand that AVC has the responsibility to: 1) evaluate all loan requests case-by-case and 2) reduce or deny loan requests for students that, in our professional judgment, are at serious risk for loan default. High levels of indebtedness (including loans from other colleges), coupled with a small amount of progress in an academic program, is a common indicator of high risk for default. Therefore your loan request may be denied or reduced if you:

- Are not making steady progress in an eligible program or are not currently meeting AVC satisfactory academic progress standards.
- Have already borrowed to a maximum appropriate for the earning potential of AVC programs (We suggest \$25,000 –including previous student loan debt from other colleges).
- Have incomplete or missing information on this worksheet.
- Have a change in planned borrowing from previous year(s).

Obligations and Responsibilities of Student Borrowers.

- Federal Loans are not grants. I understand that I must repay this debt.
- I understand that 1% default fee will be deducted from each loan.
- I must begin repaying the loan six months after I graduate, withdraw, or drop below half-time status.
- My awards cannot exceed my cost of attendance (budget). If additional grants, awards or scholarships are added after a loan has been approved, my loan amounts will be reduced to accommodate the new awards. (for or example: EOPS grants, AVC Foundations scholarships, Federal Work Study and /or CALWORKS Work Study, etc.).

Terms and Conditions

- The availability of funding is provided by the U.S. Department of Education.
- You are meeting the satisfactory academic progress standards.
- The information reported on your application is accurate and you have reported all sources of income and resources.
- You must be enrolled at AVC at least 6 units and attending classes related to your Student Education Plan with a degree objective leading to an AA, AS or certificate.
- Students who are enrolled concurrently either in high school or another institution of higher education are not eligible for a loan.
If you withdraw after receiving financial aid funds, you may owe a portion of what you received back to the federal government.

I have read and understand all of the above statements.

Please sign below; your request will not be processed without your signature.

Signature

Date

Multi-Year Borrowing Plan

Please List all student loan borrowing that you plan to do year-by-year until your final educational goal is completed.

Indicate \$0.00 (zero) where appropriate.

Name: _____ Student ID # _____

Today's Date: _____

Amount I owe in student loans now: \$ _____

Amount I'm requesting to borrow Fall 2013/Spring 2014 \$ _____

Amount I plan to borrow Fall 2014/Spring 2015 \$ _____

Amount I plan to borrow Fall 2015/Spring 2016 \$ _____

Amount I plan to borrow Fall 2016/Spring 2017 \$ _____

Total I will borrow \$ _____

If you plan additional borrowing beyond Fall 2016/Spring 2017 indicate the year-by-year borrowing plan in the space below:

Signature

Attachment 4



ANTELOPE VALLEY COLLEGE

Financial Aid Office
3041 West Avenue K
Lancaster, CA 93536-5426
Telephone (661) 722-6337
Fax (661) 722-6567

Dear Student,

The Financial Aid Office at Antelope Valley College has become aware that you have graduated or ceased at least half time enrollment at Antelope Valley College. The Higher Education Opportunity Act of 2008 states that Federal Student Loan Borrowers are required to take an Exit Counseling Exam. There are two ways that you can satisfy this requirement:

- Fill out the forms that we have provided you, the Exit Counseling guide, NSLDS handout, and an Exit Interview form, and returned them to the Financial Aid Office at Antelope Valley College.
- Log on to nsls.ed.gov website and take the Exit Counseling Exam online. You will submit the results and we will receive them electronically.

We would like to remind you that your student loan payment begins approximately six months after you ceased at least half time enrollment. Now is the time to plan payments for this additional expense in your budget. There are several repayment options to meet your budgeting needs. If you are interested in job placement assistance please visit the job placement center located in the student services building.

If you anticipate certain types of financial problems when your student loan payments are scheduled to begin, you may be able to defer (postpone) your payments. You will need to complete one of the deferments forms within 30 days of your first payment due date. To find out if you qualify, information may be obtained through your servicer, at our Financial Aid Office or on the web at www.studentloans.gov.

Always remember to update your mailing address and telephone number with your loan servicer and school. The Financial Aid Office at Antelope Valley College wants you to avoid the consequences of loan default. We are here to assist you with all the options available to you to keep your loans in good standing. Please call us at 661-722-6337 or visit the Financial Aid Office for assistance.

Sincerely,

Financial Aid Office

Antelope Valley College
Default Plan

Attachment 5



ANTELOPE VALLEY COLLEGE

Financial Aid Office
3041 West Avenue K
Lancaster, CA 93536-5426
Telephone (661) 722-6337
Fax (661) 722-6567

Dear Student,

We hope everything has been going well for you. We are writing to remind you that your student loan payment begins approximately six months after you leave your school.

Now is the time to plan payments for this additional expense in your budget. There are several repayment options to meet your budgeting needs. For more information, log onto studentloans.gov

If you anticipate certain types of financial problems when your student loan payments are scheduled to begin, you may be able to defer (postpone) your payments. You will need to complete one of the deferments forms within 30 days of your first payment due date. To find out if you qualify, information may be obtained through your servicer, at our Financial Aid Office or on the web at studentloans.gov

Always remember to update your mailing address and telephone number with your servicer and school. If you are unsure who your servicer is, or if you have other questions related to your loans, please give us a call at the number listed below.

Sincerely,

Financial Aid Office
Default Prevention

Antelope Valley College
Default Plan

Attachment 6



ANTELOPE VALLEY COLLEGE

Financial Aid Office
3041 West Avenue K
Lancaster, CA 93536-5426
Telephone (661) 722-6337
Fax (661) 722-6567

Dear Student:

We want to help you with your student loan account. Your servicer informed us that your account is past due and we have a wealth of information available to assist you. What can we do to help?

Perhaps this was just an oversight on your part. If so, please make a payment today. If you are experiencing some difficulty that prevents you from making your payment, please call me at (661) 722-6337 to discuss your situation.

You may be eligible to officially postpone payment for a period of time. This is called a deferment and is a feature of the student loan program. Deferments are available for unemployment, economic hardships, or school attendance. You may even be able to defer payments if you are working less than 30 hours a week. We can discuss your eligibility for deferment when you contact me.

If you are not eligible for a deferment, you may still be able to postpone payments on your loans. Forbearance, another feature of the loan program, is available from your servicer and can be used to cover past delinquency or future payments you may not be able to make on time.

I would be happy to help you decide the next steps in bringing your student loan current. I am a member of your school's financial aid office and very interested in helping you.

Sincerely,

Financial Aid Office
Default Prevention

Delinquent Letter 1

Antelope Valley College
Default Plan



ANTELOPE VALLEY COLLEGE

Financial Aid Office
3041 West Avenue K
Lancaster, CA 93536-5426
Telephone (661) 722-6337
Fax (661) 722-6567

Dear Student:

Antelope Valley College was recently notified by your servicer that you have failed to honor the repayment obligation on your federal student loan account. It is imperative that you make immediate arrangements to resolve this delinquency in order to prevent the default of your account. Failure to do so may result in serious consequences and significant long-term effects on your future.

If your account defaults, it may hinder your ability to receive future financial aid and may hinder our ability to offer aid to other students. We are committed to assisting all students (past, present, and future) and we do not wish for you to jeopardize your future as a result of this issue. Therefore, please make arrangements with your servicer to resolve the delinquency on your account. If you have any questions beforehand, financial aid officers are happy to assist you or answer any questions that you may have.

You may qualify for special assistance such as reduced payments or a temporary suspension of payments through the use of deferments or forbearances. Representatives at Antelope Valley College will gladly assist you by explaining these options and will do all in their power to prevent your account from defaulting.

Our goal is to help you keep your loan out of **default** status. Please contact our office or Vanessa Gibson today at (661) 722-6300 ext. 6337.

Sincerely,

Financial Aid Office
Default Prevention

Delinquent Letter 2

Antelope Valley College
Default Plan



ANTELOPE VALLEY COLLEGE

Financial Aid Office
3041 West Avenue K
Lancaster, CA 93536-5426
Telephone (661) 722-6337
Fax (661) 722-6567

Dear Student:

Antelope Valley College is disappointed by the recent notification from your servicer indicating your failure to resolve the delinquency on your student loan account. At this progressive stage in the delinquency it should be quite clear that this issue must be resolved immediately. Unless you take immediate action, your student loan will default. We are informing you of this critical information because it is still not too late to rectify this serious situation.

If your account defaults, a negative report will be submitted to each nationwide consumer reporting agency. This negative report will severely damage your credit rating. In addition, collection fees may be added to your account and the entire balance of all defaulted loans will become due (in full). Collection activity will be initiated against you, which could include the garnishment of wages, the seizure of income tax refunds, and the referral of your account to an outside collection agency.

Defaulting on a student loan is very serious and bears many negative consequences. We are strongly committed to supporting all students and we do not wish for you to risk your future as a result of this issue. Therefore, we urge you to make contact with Antelope Valley College so that we may assist you in preventing default. Ignoring this letter may result in dire and unavoidable consequences that are certain to jeopardize your future. There is still time to resolve this matter as long as you take immediate action.

Our goal is to help you keep your loan out of **default** status. Please contact our office or your servicer.

Sincerely,

Financial Aid Office
Default Prevention

Delinquent Letter 3

Antelope Valley College
Default Plan