



## Put Your Cohort Default Rate and Your Students on the Right Track



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# START



HESC now offers your school Right Track — a complete package of services designed to help your students stay on the right course with their obligations as borrowers throughout the life of their loans.

The Higher Education Opportunity Act altered the formula for calculating your cohort default rate. Under the law, your cohort default rate will include two years of repayment data rather than just one year — giving loans more time to default and increasing the likelihood of a higher default rate.

In fact, some schools' cohort default rates could double as a result of this recalculation. This makes it more important than ever to enhance your default prevention strategies with HESC's proven suite of default prevention tools.

We'll work as your partner, providing you with all the advanced electronic tools and responsive support you need to prevent defaults — while making your job easier.

Here are all the ways HESC will work with you to keep your students on the right track repaying their loans.

## Education While They're Still In School.

### HESC.org

HESC's Web site includes a wide range of tools designed to help your students improve their financial literacy and repay their loans. We also link to Mapping Your Future, an innovative online counseling service which helps borrowers meet entrance and exit counseling requirements from the convenience of their computers and enables them to understand their rights and responsibilities as borrowers.

### Entrance Counseling

With our comprehensive entrance package, you can deliver important messages to your students while ensuring regulatory compliance. Our informative brochure, *Student Guide to Smart Borrowing and Your Financial Future*, guides students through all aspects of their loan obligations, including eligibility requirements, interest rates and their rights and responsibilities as borrowers. We also offer an envelope in which your students can store all their loan records and correspondence, and a FFEL borrower signature/information form.

### Financial Literacy

Your students need a financial education so they can make informed decisions and use credit wisely. That's why HESC created the Financial Awareness and Consumer Training for Students (FACTS) program. FACTS will help you with your efforts to increase student awareness of the dangers of accumulating too much debt and the benefits of saving more of the money they do have. It may even help you reduce your default rate.

FACTS is presented as modules, each targeted toward a different age level or concentration. The presentations are rich in content yet easy to understand, covering practical topics such as managing credit cards, credit vs. debit cards, developing spending plans, personal financial management skills, and preventing identity theft. HESC professionals can come to your campus to present the modules to your students or, if you prefer, you can use the speaker notes included with each presentation and present them yourself.

### Exit Counseling

Our exit brochure, *Paying Your Loan is Serious Business*, reinforces your students' loan obligations and provides information about budgeting their money and repaying

their loans. The exit counseling package also includes our customizable letter template in which your school can insert its average indebtedness information as required, and the FFEL borrower signature/information form, which asks for updated student contact information.

## Counsel During Their Grace Period.

### Advocate Unit

The HESC Advocate Unit counsels borrowers who have graduated, withdrawn or dropped below half-time study with the goal of preventing default. We work with students in their grace period and 40 days into repayment, educating them on the importance of completing school, repayment options, and deferment and forbearance options.

## Prevent Default During Delinquency.

### Pre-DAAR (Default Aversion Assistance Request)

HESC works with several major lenders to contact borrowers who are 15-25 days delinquent. Our staff counsels them on repayment, deferment and forbearance options, and the ramifications of default.

### DAAR

Our new default aversion division integrates six separate units with a focus on assisting all borrowers having trouble repaying their loans. We've refocused

borrower and resolve the delinquency. After all efforts have been exhausted, HESC purchases the loan. During the claim period, the lender may consider the borrower in default; however, the borrower is not actually in default until HESC submits a payment to the lender.

## Default Prevention Tools.

### D-Map (Default Management Action Plan)

HESC default prevention specialists evaluate your current default management plan, suggest ways to enhance it, and assist you with our many services.

### Training

HESC staff train your staff on all aspects of default management including FACTS, Default Manager, and successful practices.

### Prevention, Retention & Intervention

We have created a comprehensive guide providing you with a systematic, strategic approach to preventing default and retaining students, outlining how every office can contribute to this campus-wide initiative.

### Default Manager

HESC's Default Manager is an innovative, Web-based real-time tool that can help you lower your school's default rate significantly. By using this convenient service consistently, you'll help keep your students on track repaying their loans and pinpoint problems early — giving you extra time to assist students who need your help.

## Default Prevention



efforts by increasing staff dedicated to aversions to personally work with borrowers to avoid default. We use advanced techniques to contact borrowers who are 60-270 days delinquent, counseling them on repayment options, deferments and forbearance.

### Intercept

Upon your request, HESC will intervene and help you reach delinquent borrowers in an active cohort year. We will attempt to contact and counsel those borrowers on repayment options, deferments, forbearances and consolidation.

### Claim

After day 270, the lender can request that the guarantor purchase the account by filing a claim. When a claim is filed, HESC implements a final drive to contact the

Default Manager saves your staff time by targeting the students who need your help most and who directly affect your cohort default rate. It prioritizes borrowers by identifying those closest to default, lets you track your prevention efforts, and helps you establish a schedule for followup. Default Manager is easy, paperless, and gives you the most timely information available on your delinquent borrowers.

**Team up with HESC to put your school and your students on the right track to successful default prevention. Contact your Client Relations Manager to learn more and arrange a more detailed presentation of Right Track.**