



## Default Prevention and Management Plan for Students Receiving U.S. Department of Education Title IV Financial Aid

Below are some approaches that De Montfort University employs to help our loan students to better understand the responsibility of borrowing loan funding for their programme of study. The purpose is to decrease the numbers of students defaulting on repayments of their loans.

### Entrance Counselling

All new students borrowing from the Federal Direct Loans programme are required to complete [Entrance counselling](#) prior to their loans being certified. During Entrance Counselling, students are advised of:

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

### Financial Literacy for Borrowers

On the Financial Aid communication with students we recommend to them that they borrow only what they need and make themselves aware of the repayment obligations of the loans they intend to borrow.

On the Financial Aid communication to students coming on subsequent years of their degree programme we strongly recommend that they 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 Title IV students are asked to confirm the amount of loans they require (following notification of loan available) and confirm they are aware of the future financial obligations of the borrowing they have requested.

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

The University is responsible for identifying borrowers at risk of withdrawing and counselling students accordingly with a view to try and retain those students.

### Communication

All students are directed to the University's Consumer Disclosure Information on the Loan Notification letter. They are provided with a link to the University US Loans webpage

Up to date contact information for both the student and their next of kin is obtained from the student at registration and are held on their student records. Students are able to update their contact details via our student self-service system.

### Exit Counselling

Graduating students and withdrawing students are reminded of their obligation to undertake [Exit Counselling](#) as part of the conditions of borrowing Federal Direct Loans. Students are directed to <https://studentloans.gov/myDirectLoan/index.action> and are asked to inform the US Loans team when they have completed their Exit Counselling.

### Timely and Accurate Enrolment Reporting

The University 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 to Identify Defaulter Characteristics

The University will analyse defaulted loan data to discern who is defaulting and why. We will use this information to improve default prevention and management practices and initiatives. Internal data

How will I pay for it?

<https://studentaid.ed.gov/sa/repayloans>

