



## STUDENT LOAN DEFAULT MANAGEMENT PLAN

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University of New Brunswick Financial Aid and Financial Service Offices are responsible for administering all government aid programs available to the University's students. This includes Quebec's Aide financière aux études, the Canada Student Loan program, along with the 10 integrated provincial loan and grant components (e.g. Ontario's OSAP, BCAid), as well as the U.S. Direct Loan Program for our American students.

To fulfill its mission to "promote student success and well-being" we encourage financial wellness in many ways, including its commitment to educate students about their government loan repayment obligations, encouraging successful repayment and leveraging the various repayment assistance options offered by several government aid jurisdictions. We employ evaluation, prevention and outreach activities in order to accomplish this goal, which are outlined in this document.

### **One-on-one Financial Aid Advising:**

- Students with government debt have access to Financial Aid Office (FAO) staff. Students may make appointments anytime in the academic year. US Students must make appointments with the Director, Financial Aid, UNB Fredericton.
- It would be helpful to students to meet with FAO within their first two years of study. Ideally, in the first year. This provides an opportunity to discuss their personal financial situation and the best habits to adopt, demystify the details of their debt and the optimal future 'check-in' points.
- In the final year/semester of study, students are encouraged to register for a one-on-one debt management session to help them understand and manage their financial plan as they transition to repayment.

### **Financial Wellness Educational Programming**

- From Our Skills in Context Series: *Managing your Money – It's Easier than You Think* (see attached pdf and program outline).
- We help students minimize their costs by informing them of their consumer rights, helping them to be savvy and frugal shoppers and to cut costs with proven tips.
- We offer students one-on-one as well as group manage debt management plans and review student's rights and responsibilities with respect to government loans.
- We participate in orientation activities to promote awareness about our services, and to introduce basic budget and debt management concepts in an effort to create good habits early.
- A full curriculum of free workshops and clinics are available throughout the year which delves into topics such as Budgeting, Income Taxes, Student Loan Repayments and Consumer Debt Management.

- Targeted and personalized workshop invitations are sent to final year students with government loans. Canadian students have an opportunity to attend a Repayment Seminar by the National Student Loan Service Center (NSLSC).
- We support faculty-specific initiatives, including presenting to our first year courses such as Science 1001.

**Specifically for American students on U.S. Direct Loans:**

- Title IV regulations dictate the responsibilities of a school to manage their default rate.
- The U.S. Department of Education publishes every school's cohort default rate, calculated as the percentage of borrowers in the cohort who default before the end of the third fiscal year following the fiscal year in which the borrowers entered repayment. (History: The original regulations in 2009 governed the calculations to only include to the end of the 2nd fiscal year. In Feb 2012, they published both 2-year and 3-year cohort default rates. As of 2014, only the 3-year rates will be released.)
- The Director, Financial Aid is responsible for managing the U.S. Loans default management plan, including processing all cohort default rate challenges, adjustments and appeals.
- The Director, Financial Aid will respond to Skip Trace report from Loan Servicers without delay so that the last known address of the student, and contact information for next of kin can be leveraged.
- The Director, Financial Aid provides one-on-one assistance, when appropriate, to borrowers to establish a productive relationship with their servicer and help acquaint borrowers with deferment and forbearance provisions, consolidation and other repayment options. At-risk borrowers include those who do not complete their program or who are placed on academic probation while enrolled.
- To encourage timely completion of studies, the University of New Brunswick (UNB) practice is to define half-time course load as 7.5 credits out of 15 (the maximum) as opposed to half of 12 credits (still considered full-time status).

Financial Aid Office also ensures:

- Our website contains all essential information for student borrowers (eligibility, responsibilities, processes):  
<http://www.unb.ca/fredericton/studentervices/financial-aid/managing-money/government-student-loan/united-states-loan.html>
- The Director, Financial Aid is available to prospective students and their families during Open House events, as well as to newly admitted students and their families during Orientation events.
- Students who are first time borrowers complete online entrance counseling provided by StudentLoans.gov prior to loans being disbursed for the first time.
- Students complete online exit counseling provided by StudentLoans.gov about repayment plans, during their final semester of studies and prior to graduation, or at the time of withdrawal from studies or dropping below half-time enrolment.
- Student borrowers can meet one-on-one with Director, Financial Aid to discuss their specific financial situation and options.
- Institutional non-repayable bursaries *may* be available to supplement U.S. Direct Loan borrowers through the Killam American Fund Bursary.