**PSC-ED-FSA-TISD**

**Moderator: Angie Beatty**
**April 24, 2012**
**12:00 pm CT**

Coordinator: Welcome and thank you for standing by. At this time all participants' lines will be on a listen-only mode for the duration of today's conference. Today's call is being recorded. If you have any objections you may disconnect at this time. I would like to turn today's call over to (Cindy Battle). Ma'am, you may begin.

(Cindy Battle): Hello, everyone and thank you for participating in our delinquency and default management Webinar. Again, my name is (Cindy Battle) and I will be moderating this afternoon's session. I am with FSA Default Prevention team and our presenter's today will be (John Pearson), (Larry Edie) also with FSA and co-presenting with (John) and (Larry) is (Angela Johnson), one of our school partners.

The team will be presenting a session entitled identifying default risk and developing a plan and working with the default prevention team. We are pleased to offer you two days of training related to the key aspects of managing student loans, delinquency and default.

Many of the schools have provided feedback and request for help with managing their delinquency and default diversion activities. So we created these Webinars with a focus on building the framework for effective default prevention strategies.

We started out this morning with a session that emphasizes the importance of default management as a responsibility of the entire campus and it was entitled Default Prevention, Everybody's Business. So if you miss this session all of the sessions will be recorded and made available at the conclusion of the Webinar and we will notify you through a posted announcement.

This afternoon we have two sessions planned. This session will discuss the steps needed to identify default risk after school and how to make the effective use of information as part of your default prevention plan. We will have a school perspective as part of these sessions.

And at 3:00 today the session entitled working with your federal loan services will help schools understand the role of the services in delinquency and default prevention activity.

On tomorrow we will devote the day to reports and this is your opportunity to understand in great detail how NSL DS reports work. There will be three sessions, NSL DS school portfolio. There will be a session on the NSL DS delinquency report and then there will be a session in the afternoon entitled manipulating NSL DS reports.

So we know that this is a very busy time for schools and we thank you for making the time to participate in our Webinars. Again for your convenience all of our sessions will be recorded and you will have an option to review those at a later time.

So quickly I want to go through the logistics of this Webinar just in case you have questions before I turn it over to (John). So today's Webinar will be conducted in listen-only modes.

If you have questions during the Webinar, click the Q and A button on the top menu bar at the top of your screen. Once you click the Q and A section a window will open. Click in the top blank field to type in your question and then click the word ask.

Please remember to include your slide number with your question. Your questions will be answered privately during the session. In the event that we need to do additional research we will make sure that we capture that question and respond to you directly before the end of the week.

We will take the opportunity once (John), (Larry) and (Angela) finish their session to ask - or answer any questions that we've received through the email box. If you have any technical problems during this session moving to the top right hand corner of the screen you will see a blue circle with a question mark and then immediately to the left of that a green square.

If you are having any technical problems during this session please click on the down arrow next to the green square box, change the color of red and we can open a chat window to address any technical problems that you have. Remember this red box is only for technical questions.

And lastly you may download a copy of the slide by clicking on the handout icon near the top right corner. It's the three sheets of paper and you can download the actual presentation.

If there is a need for closed captioning please select more at the top menu bar, a window will appear with the words streaming across the screen. You can then click and drag that box to the left bottom of your screen and that's for closed captioning.

And if you just want to see larger versions of the slide, you can enlarge the screen by clicking on the monitor icon with the four arrows pointing away from the corners or select the F5 key on your keyboard.

At the end of this session we have a survey so we hope you're able to stay throughout the end of the Webinar and participate in the survey. The survey allows us to gauge the effectiveness and the information we've provided in this session as well as it allows you to provide any feedback on any future sessions or information that we can provide.

So we do hope that you participate in the surveys. Let us know what is working, what things we can provide you with and we will definitely take that back and provide something in a future date. So now with that I'm going to turn it over to (John), (Larry) and (Angela) to begin today's Webinar. (John).

(John Pearson): Thank you so much, (Cindy). This is (John Pearson) and I'm here with (Larry Edie), one of my colleagues from the U.S. Department of Education and joining us from Cuyahoga Community College in Cleveland, Ohio will be (Angela Johnson).

We're going to start our presentation this afternoon talking in general about the kind of perspective we think that schools need to have in this day and time when they're considering how to build a default - an effective default prevention plan.

We are very very fortunate to have Angela with us who is a veteran in working on default prevention at a very large school. And she's going to give us a case study. So she's going to take some of the things that we talk about in the abstract and in the theory and she's going to talk about them in the application.

So with that said, let's get going. We have a lot of material to cover and we're also looking forward to your questions and talking with you a little bit later as the presentation winds down. So let's go to slide number 2.

So our first order of business, we're going to talk today about the new delinquency and default management group or the new team that we have at FSA to support you in your default prevention efforts.

The core of the presentation then will be identifying default risk and Larry will talk about that. I'll come back a little bit later to talk about default prevention plan and how identifying default risk translates into a plan and then (Angela) will join us in the last third of the presentation to talk about what she has been doing using this very model at Cuyahoga Community College.

So we have a new group in FSA. We have a default prevention team and we are certainly available to help you. Schools all across the country are facing increasing default risks. You have some challenges and some trials ahead with respect to gainful employment and of course reducing loan default and keeping students in repayment is key for gainful employment as well.

So I think having a default prevention plan will serve schools well. So we're here to talk to you about establishing default prevention goals assessing the resources that you have or that you may need and working on default prevention and understanding default risks, how to assess default risks and using some of the available tools and reports that are available - that FSA has available that you would then mix and match with your own institutional data and we'll talk about that. And then further developing and refining your plan.

We are absolutely available to talk about that any time with you and here's how we know that you're interested. What we want you to do is send us an email with your contact information. You don't have to be very specific in the kinds of questions you have.

All you have to do is to say we'd like to talk, we'd like to talk about default prevention. We're working on a plan. Just remember we're doing technical assistance. This is not compliance, this is not regulatory. So let us help you. Let us join you in your efforts to reduce delinquency and default.

So with that I'm going to turn this over to (Larry) who's going to talk about identifying default risk.

(Larry Pearson): Thank you very much, (John). Good afternoon everybody. One of the key factors in default management plan is the identification of default risk. College experience, success and risk variables are both that occurs in the college in which the college, the bar or both have some ability to affect.

These characteristics include college majors, academic achievements, transfer status, educational goals, students, financial support and degree completion. It is believed that the reason for correlation between college success and default behaviors is unknown, however, it is possible that the hard work and responsibility that result in college success and reduce risk of established habits that carry over to the other responsibilities in student lives such as loan repayment within the (minds). With that in mind, let us talk about what you can expect to take away from this session.

Loan default changing landscape. We're going to take a closer look at the few activities that impact those that are associated with risk and that are issues like increased in loan default for most schools, increase in educational costs, the need for students to borrow more money or a combination of federal and private student loan versus a student debt, and finally the congressional change to the way that we calculate CDRs are all applicable to the changing landscape in how we do business going forward.

This slide - as indicated in this slide and as you can see the data show that there's a 25% increase in CDR when we compare the '08 and '09 official rates. We see that 34% increase in loan bars and about 54% increase in dollars associated with what we already know.

In September the department will release the official '10 two-year rate and for the first time the first 3-year (co-hart) rate. So based on these calculations we can anticipate at least there will be an increase in those three areas.

I've discussed in earlier sessions the department provided information to various training sessions over the past few years on how Congress has made some significant changes to the way we do business responding to default loans and has indicated on the slide but most importantly we're giving you a 5% of the CDR threshold but in reality the amount of default which will occur in the third year will be significantly more than 5%. It's that difference that creates the default risk. And the default prevention opportunity for your school is at hand.

This isn't just an old plan, it's more complicated and more labor intensive than what we ordinarily think of as a default plan or a plan that some of you have worked at at your institutions. It requires that you have a default prevention team and that the team's job is to determine where the risk of default is coming from. Who is defaulting and why and the creative intervention, measureable intervention to reduce that default risk, not like anything we've every required schools to do before.

So to the takeaway messages that you don't want to have to cohort default rate equal to or greater than 30% if you could avoid it. And of course if you have a second successive year at 30% you'll have to do this plan all over again.

34668.17 requires institution to develop a plan but what is significant about this plan is that the plan must identify as I indicated before at-risk-borrowers for those schools that are 30% or greater.

I even suggest that if you are in the gray area and even though you are not required to, it may not be a bad idea to convene a team and to engage in discussions to what may be required assuming that you were. There are benefits associated with low (co-hart) default rate.

These are two examples affecting two types of loans. First is of course commercial loan. We all know these are private loans and then finally federal loans. One of course represents loans that require up front litigation and the other litigation - litigating the risk after dispersement and your default plan must address both.

The advantage of a primary person of a default management team is first and foremost to conduct the analysis to identify the source of default risk. I can't overemphasize how important this is to the success of any default initiative.

Second is the creation of a measureable intervention and that describe consequence and actions that at least but not at least review the process as often as necessary to find out what revisions that may be required and/or necessary. Remember, this is an ever-changing landscape.

We talk about assignments but the most important of these are the composition of the teams. Who is on the team and what does it have to do or related to senior management support? The question to ask of course if supported by the president, the (provost), the vice-president and depending upon the size and scope of the campus is it in its organizational structure.

Who is the team coordinator? Is it the senior administrator other than the financial aid director? Keeping in mind that traditionally the traditional approach is that the financial aid office can do all things and certainly this is not the direction that you need to be headed.

Using the theme, default management is everybody's business, there must be representation from the admissions office, the registrar's office, student accounting, academics and other support services areas on the campus. The more the merrier. Everybody has something to offer.

This calculating risk is a first step. This of course is the technique to identify access factors that may jeopardize the success that will eventually increase loan payments or decrease cohort default rates or CDRs.

This process also helps to define preventive measures to reduce the probability of these factors from occurring and identifying countermeasures to successfully deal with these constraints when they're developed to a very possible negative effect on this facility or the institution.

The decision for what controls or needed lies within a business process of the institution. The team's conclusion as well as the risk that exists and what controls are needed was related to the action plan for control and implementation.

The review of the data of course helps us to understand who is eligible to a tenure institution, who is eligible to graduate, likewise, we know who did or did not graduate. And if they didn't we need to know the reason. These in itself affect students' ability to repay their loans.

Must do the research, analyze the data. You must identify what is the cause of the problem before you even begin to solve the problem. Must see April 25 Webinars. The Department of Education provides institution to (supports) to assist you in just doing that.

We have sessions schedule tomorrow at 10:30 and again at 1:00 in the afternoon. These sessions will discuss using delinquent bar data found in NSL DS to assist you in this process. Please register if you haven't done so.

The result of the collaborative effort of you team will allow you to use the data to develop a picture of your borrowers. Just to identify those borrowers is just not enough. You need to know and understand the why.

You need to know that there is some risk and adventures that may need to be taken into consideration and they are, as the slides indicated, poor educational outcomes, poor employment and poor repayment outcomes.

Here are examples of the who's. Of course in person exit counseling is strongly related to default behavior. And I understand the convenience of having it done online but there are others such as the influence in working in college at the lowest default rate.

The greater the number of semesters the borrower has spent in the dorm, students who least level is enrolled is freshman, sophomores, juniors. The default rates of borrowers is decreased as their (lent) and time of college increased, colleges played a major role in moderating the predictions of the defaulted student.

And finally the why. Understand the why. This is critical but a necessary tool as we address the solution. Default prevention is everybody's business. Decisions to what controls or needed lies in the university, the campus environment, the team's conclusion as to what risk exists and what controls are needed in order to document these risks and the action, but most importantly the actions necessary to implement the solution is the decision made by senior management.

Now back to my colleague and friend, (John Pearson).

(John Pearson): Thank you, (Larry). So we're going to talk a little bit right now about translating the work of your default prevention team. The first part of developing a plan and just to recap that the purpose of the team is to take a look at your data, who's defaulting , and try to determine why people are defaulting because once you know why people - who is defaulting and why a school can then intentionally and with intelligence and we think with effectiveness develop a strategy to reduce default risk.

So, again, that's the purpose of the team. The team is to do the analysis and then to translate what they've discovered in that analysis, into a strategy that's coherent and that will lead them to an effective outcome.

In a general way, what you're likely to find as you translate the data, translate your conclusions about borrower behavior and student behavior is that you're going to be heading in the direction of improvement repayment outcomes and improved educational and employment outcomes. Schools that are moving in this direction tend not to have default problems. It doesn't mean that there isn't any default, it means that you'll have less default if you're attending to these kinds of issues.

So here's some examples - let's let the slides catch up with the presentation here. Here's some examples of strategies or practices that tend or can be used to improve repayment outcomes, enhanced exit and entrance counseling perhaps using financial literacy education with certain populations of students.

Maybe everybody doesn't need it but knowing who needs it is key to developing a good plan. Collecting more useful contact information, early and late stage delinquency assistance when borrowers go into repayment.

Again, the purpose of this session is not to go into detail about best practices, and these would be examples of best practices but the takeaway of this presentation - and what (Angela) is going to talk about next - the take away is the importance of stopping and thinking about what you're doing first, assessing who's defaulting and why so that you're going to be aiming your best practices or any practices that you're going to engage in at the right target.

So we have, you know, with our new team and with our wonderful nifty new mailbox, we have been for the last couple of months receiving default prevention plans from schools.

And some of the plans are from schools that are either have run up over the 30% threshold, some of them were from schools that were interested in keeping their default rates down, some of them are from schools that perhaps are new to Title 4 or have undergone a change of ownership, plans that we would call a 668.14 plan as opposed to a 34 CFR 668.217 plan which is a 30% plan.

And so what we've noticed recently is that - and one of the reasons for this session - is that many of the plans that we're reviewing don't include issues that have to do with student success, improving educational outcomes or improving employment outcomes.

Schools are still thinking as we talked about in that last slide about enhanced entrance and exit counseling or financial literacy or collecting contact information or early and late state delinquency assistance.

All of those activities are good practices but the focuses of those practices is to help the bar or have a better relationship with his or her loan and with his or her servicer to improve repayment performance once a borrower goes into repayment.

What we know from analysis that schools are doing is that a big part of default risk has to do with poor academic success or poor academic performance and poor employment performance.

And so as a result some of the strategies that schools can use and remember these are very very general, have to do with increased educational and employment success meaning in the case of student success, the ability just like a school would do when they're engaged to try to increase retention and graduation rates, the ability to engage students where there's a sumptuous of crisis and that's something that Larry mentioned when he talked about the who earlier in the presentation - when there's a crisis the ability to intervene so that a personal or social homesick crisis does not evolve into an academic performance crisis which doesn't then evolve into a loan repayment crisis.

So what we're really looking at this increasing student success in all of the traditional ways that you think about increasing retention and program completion. Those are activities that are bona fide when it comes to reducing default risk.

Other activities could include - and it depends on the kind of school and the kinds of programs you have - they could include reducing program completion time so that if you're a four-year school and your borrower's, your students, are finishing in five and a half years and acquiring that many more loan dollars the longer they stay in school maybe a default prevention strategy for you is helping students finish sooner.

Also depending upon the kind of programs you have, it could be strengthening the relationship you have or that your institution has with potential employers. Placement can also be a factor.

But improving educational outcomes and employment outcomes is also just as important as it is to enable the servicer and the school to reach borrowers who are in crisis or to help them understand better what their rights and responsibilities may be with respect to loan repayment.

So developing the default prevention plan that your core efforts, once you understand who is defaulting and why they are defaulting is then to first target the who and the why.

Schools probably are headed down the wrong track if they're simply have strung together a set of best practices and there's really no rhyme or reason. There's no purpose for doing that. So you need that core set of activities that are aimed at the who and the why.

And that what you will do and what we want you to do is add a set of best practices on top of that core set of strategies that is aimed directly at the who and the why.

So when typically when you would be doing these things, well, you only have certain opportunities. Remember the difference between a commercial loan and a federal loan is that in a commercial loan whether you're going to get a car loan or an auto loan or a home loan, they're going to vet your risk before they give you the loan.

When it comes to a guaranteed student loan we deal with risk after. And when we can do that? We can do that in school, we can do it in grace, we can do it in repayment.

And your data, the data that you look at, that you'll create, that data set that will be a combination of data from NSL DS and your school data will point you in certain directions if it's a student success issue, obviously you're going to try to create interventions while the student is in school.

There may be some strategies and some activities that you'll engage in to help borrowers to have a better relationship with their loan and you may also undo that while they're in school.

Then you move into grace and there are going to be certain activities that will apropos to that grace period and then as you move into repayment there are obviously some things that are peculiar to repayment ways to support students once they go into repayment to have a better relationship with their servicer to make good decisions, certainly to stay in contact with borrowers.

But the key to your plan is understanding how to use the opportunities that are available to you in school, in grace and in repayment.

Here's something else that we like to think about and those are leverage points. Those are points where you can gain the participation of borrowers and there may be some things - and the next slide does talk about the kind of participation that we're looking at either active or passive participation but these would be the points where in effect the borrower wants something from you and that could be admission when the student is looking to be admitted to the school.

You can use the leverage of that point in the relationship to get them to either learn something or do something. That leverage point again occurs again during entrance and exit counseling. It could occur when they're on probation and it could become part of your sap policy.

It occurs again when they’re registering for the next term where you may say in order to register for you next term we're going to ask you as an at-risk borrower or a borrower with higher risk than someone else to do these things.

You may, for example, say to an at-risk borrower we're going to ask you to provide us with additional contact information before you register or we're going to ask you once you're an SAP difficulty when you're on probation that it's part of getting off or probation.

We're going to ask you to participate in a financial literacy training program that you can - those are leverage points where you can require a little bit more of somebody and do it legally.

So passive versus active, passive no action's required on the part of the borrower. Examples would be loan counseling or financial literacy videos. The borrowers simply has an experience. You're going to try and get them to walk through a process but they don't have to really do anything.

I think one of the focuses especially within the school domain is to get borrowers to participate and change the way they think, change the way they behave.

An example might be that if you're going to do some additional loan counseling or if you're going to have particular groups of borrowers who are at higher risk of loan default engage in financial literacy training, maybe you want to do a test, a test of their - so they can better understand what their rights and responsibilities are.

You want to show mastery and in order to do that the borrower has to do something. They take the test, they show the mastery. Another thing they can do and this is certainly very important, periodically updating contact information. And, again, that's something the borrower has to do. They have to actively engage in that process.

Another thing that they can do and can certainly be done during the grace period, it certainly can be done anytime after you book a loan over to servicing and that is to establish an online account with the loan servicers.

And if it were with me I would say to my borrower and particularly my at-risk borrowers, go ahead, establish that and show me evidence that you've done it because we know that borrowers have a greater probability of repayment if they establish that kind of relationship with the servicer.

Here are some best practices. So our featured and our primary best practice is analysis of default risk. Again, you don't take a step forward unless and until you determine who's at greater risk of default and why and then focus your attention on that group before you build other general good practices into your plan.

The rest of the items or the elements on this slide and the next slide are just good practices. They tend to be helpful but knowing how to deploy them and who to deploy them with is really the key.

So reducing default risk, remember a lot of this comes from the regulation and the philosophy and practice of 668217 of the three-year (co-hart) default regulation. You have to have a default prevention team because it's going to take a team to not only do the analysis, to understand who is defaulting and why and what you can do about them but to also then to have a team to create the implementation and to track that.

Your plan is going to be data-driven. You're going to focus on the people who are at greater risk of loan default. You want to create interventions that are measurable where you can. You need to know whether or not you're being successful over a period of time.

You want to incorporate best practices where you can because it is possible to mitigate default across the board by applying best practices and you absolutely want to include an assessment and revision cycle.

So, again, we keep hammering this home. Analyze your default risk first. That is the primary best practice that we are trying to get you to put forward now. Do the legwork first, let the data lead the way. That's the surest way to end up with an effective plan.

So, we're going to give you a case study now or we're going to ask (Angela Johnson) to give you a case study now in how to apply these principles and these practices at a school. And once (Angela)'s finished we'll be available to answer questions.

(Angela Johnson): Thanks, (John) and (Larry). Let me start by giving you some idea of some background about Cuyahoga Community College. We have the largest community college in the state of Ohio. We're located in Northeast Ohio in the Cleveland area.

We serve more than 55,000 credit and non-credit students per year so about each semester we have 32,000 students but unduplicated headcount for credit students per fiscal year we have about 46,000 credit students unduplicated.

We are a multi-campus institution in the Cleveland area as I mentioned and the surrounding suburbs. So we do have four campus sites. We have a large suburban campus in our western suburb, we have a inner city campus - a pretty large inner-city campus and we have two smaller campuses. One's on the east side and then there's also one of the far boundaries of our county. It stretches across Cuyahoga County.

We also provide services in terms of our non-credit with our workforce programs and other corporate college programs which basically are non-credit programs which are focused on employers and helping employers get their employees upgraded skills and get them back to work.

So I'm looking at our default aversion plan. One thing we really needed to make sure we were keenly aware of in terms of our team here was who are our student. We're really given a good overview analysis of who are the students at Cuyahoga Community College and understanding that we like many other community colleges have a significant number of students in our developmental education programs.

We are a open door access and community college so we openly admit everyone. So about 60% of our students fall into our Developmental English programs and about 82 into developmental Math. And later you'll hear about intervention around those specific programs because that really is the bulk of our student population.

You see the other data there related to where our students are in terms of high school completion having taken either the GED test or an ability to benefit to us those students that are about 25% of the population. Again, like most community colleges most of our students, about two-thirds of our students are first generation college students.

I think it's important to note too when you're thinking about your default program overall is when we focus on the students who receive loans it's also important to know what other aid programs in general that your students receive and we are an institution that has a very large Pell population. So we have many of our students who receive the Pell Grant in the full amount of the Pell Grant. So most of - 80% of our students have a zero EFC.

Like many colleges in general most of our students are women and we have a lot of students who go part time. And in general we wanted to make sure that we were looking at our term to term in annual student retention rates which is noted there.

Other things that impact the students - your (co-hart) to default rate your students that's outside the institution's control that I think is important to know about in terms of Ohio is different concerns around the institution and around the state that also (unintelligible) impact or run their region rather that can also impact your (co-hart) default rate.

Ohio does have one of the highest tuition costs across the country. We continuously receive, as many states do, a decrease in state funding. Like many of us over the last few years we're dealing with a struggling economy but Ohio does seem to have a higher unemployment rate than most states.

And its' also important to know as a community college, community colleges in the 2008 year were no longer eligible to receive state grants. There was a new formula related specifically to the cost of attendance for community colleges and community colleges were no longer eligible to receive the Ohio College Opportunity Grant.

So looking at our students who were mostly Pell Grant eligible it was determined that we would no longer receive the state grant which pays for students tuition only. At that time we definitely saw an increase, as big spike in a number of student loan borrowers because they were no longer eligible for the state grant.

Our continued change (unintelligible) of instruction which is based on quality points now in terms of accountability is also a factor in terms or our state funding to the institution based on how our students progress from development education classes and to college level courses and so on.

So understanding your overall institution data is really the first step to what do you want to do with your overall default plan and put together your default analysis and your default plan.

So we really wanted to make this process very comprehensive and identify some factors about looking at your defaulters. You really have to go with the data that you know and what's known to you in this process is the students who were in your previous (co-hart) default rate. And so your cohort default left.

So you really want to understand some common characteristics of the students who borrow and identify as mentioned by (John) and (Larry) who's defaulting and why. So you got to get to the bottom of the who.

So one of the things in terms of really refocusing or defaulter analysis does really help you to understand the institution of strategy that are going to be important for you to help students avoid the fall. What other internentions are you going to have, what's going to help your institution going to be more successful, expanding the conversation beyond the financial aid office and getting your institution administration to really understand the institutional impact of default and default for analysis.

So it allows you to correct any practices from your institution, we took a hard look at man things we had done at the institution in terms of are we are standing in the way of students being successful. And that’s' not an easy look in the mirror but you really have to make sure that when you're looking at the default analysis you're also looking at what's in the institution's control and then what can you change.

Enables you to identify high risk students and really understand in those student populations and also helps you identify the relationship in trying to connect the relationship that the student has with the institution and their potential to default o their student loans and it bridges the idea of student success.

So when we looked at our plan we really did focus on a pretty simple, we believe, hypothesis and really determine our students who are most successful are more likely to complete their program. It's a very simple hypothesis, but it really ties the fact that student success equals successful student repayment. And really thinking about that in terms of how can students be more successful, have a better relationship with the institution, have a better opportunity to graduate and receive a decent-paying job that helps them repay their loan.

So those were the factors that we looked at, but we're definitely mindful that there's things outside of the institution that are factors that we can't control, but really focusing on what can we do while the students are here, what can we do to help the student be more successful when they leave.

And with these assumptions, we really have to really focus on what were some of student success assumptions. Some things were mentioned a little bit earlier specifically related to college preparation. As I mentioned, we have many students who aren't prepared for college-level coursework. They do enter the institution and they start at the very low level.

They may spend several semesters in developmental education before they get into their college-level courses and their major because they're going through a process of learning and engaging in specific areas, mostly English and math, sometimes there's also some reading challenges, but helping understand the student preparation.

Really looking at the success rates, how well students are passing from course to course, term to term, looking at the annual matriculation rates and really understanding the average graduation rate for our student.

Also making some assumptions about the employment market for non-graduates. You know, the students borrow the loans, they stay at the institution for a little while, they leave the institution, maybe they're academically dismissed, maybe they're on SAP, but they are in the same financial situation as when they came to you if they don't graduate.

And they may not have a better opportunity for employment, and so now they're adding that debt to their current budget situation and then create some other facts in terms of how or when they repay their loan.

And the knowledge about student loan borrowing, you know there's an opportunity. Think about the financial literacy and education, but some assumptions about what students may know or may not know about how they borrow student loans.

So in terms of the plan and how to plan and when to plan, you know, I would suggest, based on what our plan was, is to really take a look at at least the last three years of your cohort default rate, your student (unintelligible) cohort default, and really take a look at those students.

Identify the factors that make - that are similar in that student group. What we had done was in 2006, we reviewed and analyzed our data set and really determined, over those three years, what the student data looked like to understand what students and populations we should be focused on and that's really what drove some of the interventions that we're going to talk about here in a second.

We were able to work with Ohio Board of Regents, which is our state government agency for higher education. We were also able to work with the

U.S. Department of Education to work through some of the plans and some of the analysis and some of the data sets.

There were 14 schools involved in our initial conversations around how do you put together an effective default-aversion plan. It started out as a project that were working on through our state association and then it really evolved and morphed into a real comprehensive plan that our institution was able to adopt and really try to find unique ways that this plan and the ideas around the plan connect to activities that are already happening within your institution.

I think was very fortunate because at the time, in 2006 as we were doing some of our data analysis, we at the community college were also very involved in the national Achieving the Dream initiative, and was giving our institution an opportunity to look at our data a little bit differently and find similarities that the outcomes in the Achieving the Dream initiative were much aligned with the same data we know about on student defaulters, because we at that time had completed our analysis.

So our approach was really to take a look at understanding student success. And by doing so, we began by looking at the default analysis, dissecting the opportunities for students to be successful within various populations and examining institutional barriers -- policies and practices that may impede student success.

Then we developed intervention strategies that demonstrate institutional responsibility and commitment. When we moved to this approach, we were able to move the dial on student success, student retention, and graduation. And it definitely is a cultural change for us, but it took us some time for us to really see some of the results that were making a difference.

One of the things that I think is important when you're putting together a plan and analyzing data, recognizing that you're taking old data to make decisions on current students, and then there's a longitudinal approach, and there's a waiting period on which you have to really stay the course and make sure that you recognize it's not going to happen overnight.

It's going to take a few years for you really to see that you're really making an impact and making a difference. And I think the strategy, in terms of putting student success at the top of the priority in terms of the intervention plan, really helped the success from the institution and really helped the institution understand that default was not a - just the responsibility of the financial aid office, but it was a responsibility out of everyone to help the students be successful.

And, again, I think it was also a hard look at the institutional accountability in trying to determine what can we do as an institution to make our students more successful.

So we did start with an intervention team. Our student success strategies was comprise of a campus team. As I mentioned, we do have four campuses, so we had a cross-section of folks from across our entire district, and we developed strategies related to retention, intervention, and student success.

Now to give you some idea of our rationale for the stakeholders that are listed here, it really was about many different areas that could help strategize around student success. The (unintelligible) management office obviously planned recruitment activities, recruitment ideas, retention and those kind of things, but we'll be looking at what our retention funnels are, what our recruitment funnels are and understanding that student population.

Our Student Affairs Office encompasses some of our academic advising area, so it's about how do we connect students with the right academic program. Our Student Success Office focused specifically on retention and helped students be retained from term to term.

They do a lot of mentoring programs that focus on the peer mentoring. They have a student ambassador program. So they are the connection - directly connection with the students and obviously the Financial Aid Office, who's responsible for everything. But, in general, the Financial Aid Office, in terms of the compliance and of course was the folks, myself, who led the college team.

I mentioned academic advising, but I think it's important for us, at least as a community college, to note why we believe the articulation and transfer department was very important. We have, each semester, we have roughly a third of our students are transfer students, which we in community college, (unintelligible) reverse transfers.

So many of our students have gone to a four-year institution and then transfer here, but many of them are coming to us with lots of loan debt before they have even completed an associate-level degree. So the come to us with pretty high debt, they transfer, change their majors, et cetera.

So it's really important for our Transfer Office to get involved in this group, in this team, because we have seen an increase of students who transfer to us, but they were also impacted by some of the state changes and things related to funding, et cetera. So we know that we would have a lot more students here with us.

Another group that’s a part of the team, that’s not a part of our team, is our faculty. They been - gone to get involved a lot more related to some of our financial literacy initiatives that I’ll discuss in a moment. Some of our marketing faculty and business faculty have been very instrumental in helping students with some of the financial literacy programs that we offer.

So our philosophy, again we thought was pretty simple, is addressing student accesses and success barriers, and really trying to understand, what can we do comprehensively as an organization and as an institution to help students be more successful, that are within the students’ control within the institution’s control.

We’re recognizing that there’s many factors that impede student success that we can’t necessarily help with, but perhaps we can provide some guidance, some counseling from our academic counseling area, or referrals for community services.

As a community college, we’re very connected to many organizations within the community, and so we do refer students a lot for counseling needs, be it psychological, et cetera.

So we planned on implementing strategies that maintain success and make sure that we’re really focusing on how this success of the intervention will help our students matriculate to completion. And resolving our matriculation, our retention problems are going to help our students be more successful overall, then it would obviously solve our default problem, if you will.

So we expanded the conversation beyond the Financial Aid Office, and the organization began to think very differently about, not just the intervention, but the financial aid responsibility around making sure that students repay their loan once they leave the institution, and also being mindful about the students that transfer, too, with high loan debt and borrow with us, and what impact that has on the institution as well.

So of those three years that we took a look at, with 2002, 3, and 4, we look at this as data in 2006, is we've looked at these common data sets across all three of our cohort default groups. We wanted to understand the students related to their first-time borrowing, a first-time student, if they're transfer students, et cetera.

And we really tried to align some of the common data sets in the cohort default group with some of the common data that we typically talk about, and perhaps boast about, related to who our students are in general. So we line those up together and look at the data sets to really get a good understanding of who the students are.

Here's what we know when we did our analysis for the cohort default group. If you go back to the former slides, you'll see a lot of similarities between who our students are, and who our defaulters are, which does make sense, but it also makes you think, if you know this about your students, and you know this about your defaulters, what are you doing to make a difference in their experience within the organization?

So what we know is, in general, I mentioned earlier that 60% are Dev Ed English, 82% are Dev Ed Math, but in general, 30% of our students placed in at least one Development Education class. About 30% of our students are GED or passed the Ability Benefit Test. That's a little bit higher than our total of student population.

Sixty percent of our students who were in the default group had earned 33 credit hours. And that's about halfway through with even Associate's degree. So that's halfway there. But in general, many of our students that start at the lowest Dev Ed level may also just be finishing through the Dev Ed sequence -- maybe two, three semesters.

So it's because they've taken so many credits in Dev Ed, they've not even gotten into their college-level coursework yet, and then they left the institution long enough to have defaulted on their student loans. That was pretty important to us in terms of focusing on that Dev Ed group because that's really who are students are in general across the board.

We also wanted to make sure we're looking at the student grade point average. Our - like most institutions, the students have to have at least a 2.0 to be eligible to stay in the institution without being academically dismissed. And many of these students were below a 2.0.

So we also took a look to see how many of those students were academically dismissed, and then again for SAP, how many of those students were disqualified for SAP or were on warning for SAP. The numbers were pretty significant.

Some other data is looking at the number of students based on age. Our average age is 29, so it was pretty interesting to see the breakdown of our age for our students, recognizing that the majority of our students were not the average age of our student population. So that was also telling for us.

We did look at ethnicity as well, to understand that, which does make sense related to our student population. As you'll recall previously, about 62% of our students are female, so about 38 are male, but more of our students who were male, were in the defaulter group in general.

It does make perfect sense related to the number of students who are first generation, because that was right where we thought it would be. And some other things were really consistent to our overall student population.

And the point really is, looking at the defaulter, and looking at your student population, and understanding the similarities, really makes you think about which interventions are going to be important and how you're going to impact your whole student population, not just your student loan defaulters, if you take the intervention approach.

So again, our hypothesis is default aversion equals student success. And to give you some idea, specifically about the interventions that we put into play and some of the outcomes.

So I mentioned that our student success area, responsible for our mentoring program, we knew we had a high number of students placed in Developmental English and Math, and so we really focused, since 2008, we focused on our students in a Dev Ed English 0950 is the second level - second from the lowest level from English - for Math, excuse me, and then English 0990 is one level below college level.

So we really focused on students who were in those cohorts in those groups and tested them to that level and tried to figure out what interventions would be important. And we adopted Skip Downing's relationship to the learning community, focused on those groups of students, connected a learning community course for general studies to these students' regular math or

English class to measure the success of those students compared to students who weren't in this Skip Downing learning experience.

Again, we related our strategies to our Achieving the Dream initiatives, because at first the mentoring initiative was only focused on first-year students -- it was that general. But as we started looking at other data, particularly our student default data, we began to think that we should drill down a little bit more because 78% of our students were first generation, which is big group of students.

So looking at the number of students who were also in Dev Ed really helped us think differently about who should get the mentoring experience and that also helped us to understand that group a little bit better.

We were trying to make sure that students got to the gatekeeper courses, reduce the number of repeats they had, so that there are some students that have the 33 credits, and really have no college-level course to show for, then they leave.

We also took a look at -- and I'll show you that data in just a second here -- we also looked the - our SAP policy, and said, you know, is our SAP policy such that our students are fallen into SAP, and don't have an opportunity to re - not just appeal, but to get out of the SAP cycle, in terms of going through the appeals process, they change their majors many times, they are reverse transfers, and things like that. So they have so many credit hours, so we also revised our SAP policy.

In terms of our retention, we began to look at some of the other policies around our Return of Title IV. Obviously, with students who have Return of Title IV, they're no longer eligible to return to school if they have a balance.

So if not because of Return of Title IV, our institutional policy is that if a student has a balance, they can't register for the following semester.

Many times, when students have Return of Title IV withdrawals, when the student - we return the form to the Department of Ed, the student may owe a portion of that, which then the student has a balance. So we really were trying to work on students who have borrowed a student loan, when they get their exit information, they want to promote their opportunity to re-enroll and trying to personalize their experience with the institution, and asking those students looking at opportunities to help them in terms of getting their payments completed and returned to the institution.

And really try help keep them grounded and keep them here so that they don't leave with a bad experience as well as an opportunity - a leave and start the repayment cycle or the grace period comes into effect if they don't return soon enough.

The big thing for us, I think, too was the transfer students particularly, because we did not have a experience for the transfer students in terms of new student orientation. We did - our new students, when they transfer to us, they do have to complete an entrance counseling session, even if they've done one previously, because we know if they've borrowed previously, we want them to have an experience in terms of borrowing, transferring their loans, in terms of making sure they get a deferment when they transfer, things like that.

If they are still in a grace period, to make sure they don't have to start paying as long as they complete their registration process here, and they matriculate to (unintelligible). But it was really important for us also to get those students who transfer into an opportunity to meet with a counselor, an academic counselor, and plan their degree.

Many of our transfer students have hopped around quite a bit, and they don't have a set goal to completion. And they've borrowed, et cetera, at multiple places, and there's, you know, for lack of a better word, maybe a career student.

And we wanted to make sure they have an opportunity to finish up the - a degree that they're seeking here, and then move on to employment and repayment.

We also looked at some strategies around the financial responsibilities, specifically related to our first-year experience courses, and adding to the first-year experience course, a budgeting session with information about credit, how credit impacts your ability to get a job, et cetera, so that we incorporated that into one of our classes that's taught by our academic counselors, but it also is an opportunity for us to start the conversation around responsible student loan borrowing.

And that's been pretty successful, and that's how our faculty have gotten involved with our campus, the (unintelligible) team. We've done a lot with repurposing some of the folks who process our student loans in terms of our early- and late-stage delinquency and helping them to do a little bit more work around the late-stage delinquency once our students have left the institution.

That's something that we hadn't done over they years. We really relied a lot on the information that we sent out electronically or paper (unintelligible) the mill kind of thing. But we really began to think about the personal interaction with the folks who were here processing the students loans. And that was a little bit more successful for us.

And then, our latest intervention has really been to help students combine their academic and financial aid planning experience together. So our students have an opportunity to complete what we call a “degree audit.” And they could work with the counselor - and (unintelligible) has to complete that. It’s electronic, they can complete that on their portal - their student portal, or they can get some help and someone can complete that for them.

So what we really do is try to help the students understand their academic plan, once they have a understanding, how many credits they’ve completed, how long they’re going to be here, how long it may take them, we help them with their financial plans.

If any (unintelligible), which also includes student loan borrowing, if they’re a student who wants to borrow loans, can help them understand how they should plan their borrowing over the course of the time that they plan to be here to complete their program, so that they are responsible up front.

That one we don’t have any data for yet because we just embarked on that last fall, and we’re still working through how this will show an impact on the student, maybe looking at how the student debt overall will - may decrease. So we’ll take a look at that.

So here’s some of our successes. In some of our mentoring programs, we did see an increase in retention up to 24% with students who were in the mentoring cohort. To compare the students who were in the mentoring cohort who started each semester for those who want, and were able to see a significant number of students who were retained.

And just to remind you, the mentoring cohort was the students who were in the Developmental Education English or Math sections with the learning community component that ties to that. And with that, we saw more students being successful compared to the students who may have either dropped either dropped the class, repeated the class, and we compared the actual grades for those courses.

So we really looked at students who had a A to C as well, because they were successful and passing their classes. We compared those to the other groups as well.

Some of the challenges I know, we think about some of these, is really keeping the conversation visible at the executive leadership level. There’s definitely a marriage between a lot of the projects that you’re working on and the default aversion plan - you just have to really find the right niche and the right marriage.

I think I was able to do that because some of the work that we’ve been doing at the institution, really doing some data analysis, taking a look at our Achieving the Dream initiative, and some other big initiatives that we were working on.

I think also for us, the climate was right for us to have the conversations. We have a president who’s been at the college for almost 20 years and has been very engaged in data, data analysis, taken a hard look at our data and boasting about who we are.

And so, it was an opportunity for us to keep the conversation going and look at ways that we can incorporate the positive things that we’re doing, but also make sure that we understand what our role is as an institution and the impact that we have on student success.

I think we have opportunities in terms of looking at the strategies in the intervention to accelerate time to degree. As quickly as we can get through this - through the enrollment process, matriculating through their program, obviously, the faster that we can get those students ready to start repaying their loans and finish up their programs, and accelerating time to degree.

There is many regulatory changes that are also going to continue to make us think about accelerating time to degree. For example, the (unintelligible) limits, et cetera, is going to really keep the institution thinking about, how do we make sure we can get students through the funnel, through the process as quickly as possible, and how do we make sure that we refresh our data as well as our initiatives to make sure that we continue to meet the needs of our students and understanding who the students are now.

I think one thing - when we talk about the default aversion project, is that the data seems to be old, but it always is that related to the cohort default rate. But it does really tell a significant story about who your students are, because in general, your students don’t change that much, in terms of, you know, who your student populations are. They don’t change that much or that quickly.

So the data, while it may be a few years old in terms of the cohort default rate, it definitely is very telling in understanding who your (unintelligible) are and what impact you may have.

So in general, our student success, our plan and our strategy is that successful students are retained, retained students are graduates, and graduates are employable alumni. That’s really the whole focus that we had in terms of our default aversion project, and really focusing on how can we help our students be successful.

And in general, it does help us with all of our default initiatives and all of our other interventions and connects the students to a successful outcome at our institution.

I think we'll now open for questions, and I'll ask my colleague, (Larry) and (John) to rejoin me.

(John): Thanks, so much Angela. What a great, great presentation. I guess I want to drive home a couple of points. One is that, just to distill part of what Angela said, they undertook a study. And the study had some working hypotheses about who's likely to default and why.

They collected data. They compared the data to their working hypothesis, and came out with some conclusions. And then they used that data to direct the activities that they would engage in, at least that was - that is the core of their plan over time.

It doesn't mean that they can't ask or add other good practices to that, but that the core of their activities, the power of that, is having a good idea about who's in greatest risk of default and channeling resources to that group or those groups.

So, and actually, we had a very nice conversation. We're working on a project with a state university system as we speak. And a while back, we had a meeting with - at the chancellor's level, with the vice-chancellors, who were making up their default prevention team, because it is being run at the university-system level and will include all of the schools in the system.

And, at the conclusion of our exploratory discussions about how to do this analysis and the purpose of it, the head of Institutional Research for the whole system conclude that discussion by saying, you know, what's really true -- that if we solve for the problem of loan default, we're going to solve for many other institutional problems.

Loan default is connected to many other things that go on on campus. It's an outcome variable, and so by looking at it, we will also be solving for other issues that we may not have even known about.

So, let's look at some of the questions. One of the questions was Slide 16 -- What timeframe should we start with the research? How many years back would be beneficial, how many years of data, I guess, would be beneficial? And (Larry)'s going to talk about that.

(Larry): Thank you, (John). That's a very good question. First of all, we need to recognize that if we do one year of data, historical data, it's not going to give us an idea of whether - of how we're doing -- whether we're doing better or whether we're doing worse.

Now if we look at the last two years, then it gives us a better idea than if we looked at one year, obviously. But three year, I think we can agree would be a cutoff point that we really need to go back.

So if we look at three years of data, we would have a good idea in terms of what directions we're heading in, so we're suggesting, again, three years for that answer.

(John): And tomorrow, keep in mind that we're going to have an NSLDS session on - about the delinquency report, which is - would be fresher in effect defaulter data. It's not - most people on the delinquency report will not have defaulted, but some will, when they get into very late stages of delinquency.

They'll begin to look like people who end up defaulting. And of course, the portfolio report is another way to get a picture of who your defaulters - that's a data set that you can use to collect information about who has defaulted over a period of time, as would be the information, the loan record detail reports, or the school cohort default history reports that you get when you get your draft and your official data.

They would, of course, include defaulters over a number of cohorts, however many you choose to collect. Tomorrow's NSLDS session will look also at how to pull that information in and put it in a useful form. That would be the last session of the day tomorrow.

So, here's another question. Improving repayment outcomes -- the school could provide early or later repayment assistance for a borrower. Can you provide an example of this sort of assistance?

Absolutely. So, late stage is very easy to think about. People who have been in repayment for a while have not made a payment and are 240 days delinquent. Remember that borrowers get 360 days of delinquency before they default on a loan, for cohort default rate purposes.

And we can make some presumptions about that. If somebody is 240 days delinquent, it probably means that the servicer has not been successful at getting that borrower to select a repayment plan or get into a deferment or forbearance that might be appropriate for them.

Usually, it means that the servicer has never been able to make contact with them. So we consider people who are in late-stage delinquency, people who are 200 or 240 days or more delinquent to be at very high risk of default. If nothing changes, if no one else intercedes, and the journey that that borrower is on, they're likely to default.

So that would be a place where we certainly suggest that schools intervene and collecting good contact information is critical to be able to make that connection that the servicer has not been able to make at that point.

Early stage delinquency assistance -- that would be an example where, if you knew that certain groups of students who are at higher risk of default, people who had been on academic probation, people who didn't graduate. Once they leave school and they go into repayment, and if they become delinquent 30 or 60 days, we can, based upon the data that we've collected, we can make some assumptions.

One of the assumptions is that those students have a greater chance of being delinquent longer, right, and ending up defaulting. So why would I wait 240 days to get in touch with at-risk borrowers, or higher risk borrowers?

My strategy, then, would be to reach out early in delinquency to - with at least that subset of borrowers who are at higher risk. That would be an early-stage intervention strategy. But it's based upon understand who's at risk of default, or higher risk of default, and why.

So, let's see, there's another question here. What happens if a school hits 40% CDR for 2010? Will sanctions be imposed immediately or will 2014 be the first year for imposing sanctions? Great question.

We have a ramp-up period of three years before sanctions under the three-year cohort default rate calculation scheme or regimen will kick in. And, so, under

- in a normal year, a 40% cohort default rate would result in the possible loss of eligibility.

Three years at 30% would result in the possible loss of eligibility. We're not looking at those rates during the first and second year of the outset or the beginning of the three-year calculation process as anything that could result in sanctions. Sanctions will not kick in until 2014, the third three-year calculation in 09 and FY 10, a 40% rate is simply going to be viewed as above 30.

Okay, another question. What is meant by a leverage point? Well, it's a very straightforward definition of leverage -- that point in which you can - you're more likely to induce a certain kind of behavior, right. And so if the borrower - if you have something that the borrower wants, meaning that you - that they want to exit from probation, they want to register for the next term, they want to be admitted to the school.

That would be a point at which you could say, in order to transit through this part of the process, you - we're going to be asking you to do certain things. When you complete those things, then you can move on to the next phase.

You can register. You can get off probation. You can be admitted to the school. That would be a leverage point. You're basically exchanging something that the borrower wants for a set of activities that would be completed by the borrower.

Let's see. Comment, that it's not helpful to label a student at risk to the student. That should be in-house only. We absolutely agree. And there's nothing in any of this that suggests that students - you should look at a group of students and say to them, "We think you're an at-risk borrower, or you're at-risk borrowers."

It doesn't mean that you can't deliver services or an elevated level of service or different services to people who you believe to be at risk. You can certainly do that, but I certainly don't believe that there's anything to be gained by telling a student that they are at greater or lesser risk of loan default.

We're simply hoping that the application of the risk reduction strategy causes them to have a different outcome.

Okay, here's a question, and I think this is for Angela. From your case study, approximately how long did it take for your team to complete your risk analysis and develop your plan?

Angie Beatty: Yes, we looked at our risk analysis over a period of at least six months. It took a while for our data team to analyze. We do have an institutional research department on site. And we - it took them a couple of months to do the research and analysis and to work through the data that we had.

But in terms of starting to put together the data, or the plans around that, that was about six months.

(John): Angela, could you speak to -- and you made mention of it -- the process of developing your initial plan, and that was in effect crunching the data, developing your hypothesis, collecting the data, running the data through your screen, coming out with some results, drawing conclusions from the results. And so that became your starting place.

Angie Beatty: Right.

(John): How frequently have you revisited that over time?

Angie Beatty: We - actually, quite often. We still - our default committee still meets quarterly. We - in terms of - let me just clarify that when I mentioned it took six months for us - the team to do the work, most of that six months -- I'm specifically talking about the work that happened in our institutional research department, not the work of the committee getting together and talking through that, because that took about 18 months.

It took about a year and a half to really get everybody to buy in and understand where this connects and what will happen after we know more information about who the students are. And what serious conversations will we have?

So, what we had done is, we were able to (unintelligible), specifically the students that were in the cohort default rate, in the cohort default group. We worked with the Ohio Board of Regents because we are required as state to report certain data to the Ohio Board of Regents, and it may be data that we don't keep locally in our student database system. They were able to give us information on specific students.

We were also able to work with the U.S. Department of Education, (John) and his team there, in terms of how do we make sure we have the right students in looking at the students' default versus delinquency, et cetera.

And then, coming to the conclusion that there's certain groups of students that we really need to focus on, that was all part of the conversations around the team, but we also had an opportunity with some work that was already happening, as I mentioned, with our Achieving the Dream initiative, and some data and some outcomes that we were hoping to see there related to student persistence.

Kind of where we started. But we did start with our basic, what was our default plan before. And like many institutions, it was, what is all the - what do send - it was about the student's relationship with their - paying their loan back, not necessarily their relationship with the institution.

We kind of started by looking at what did we do before, and where do we want to go.

(John): So Angela, we have another question for you. The question is, "How did you leverage your SAP policy, with the results that you found?" What did that look like?

Angela Beatty: We actually made some - quite a few changes with our SAP policy. We looked at - well, one of the things that's probably significant, related to our - this project had to do with our transfer students.

So we have many students, as I mentioned, that transfer to us with a significant number of credit hours, obviously, with a significant number of debt. So what we looked at in our transfer policy for default, in general, our transfer policy for credit, is that, one, the credits were all required for transfer, and we used that as part of our SAP analysis in terms of maximum timeframe.

We also looked at students who transferred in more than 93 credits, which is our threshold max, and once they attempted 20 credit hours at our institution, they have to go through the SAP appeal process. Again, it's getting them to focus on what is their intentions here, what degrees they plan to seek, before they continue to add a lot of unnecessary credits and obviously a lot of unnecessary, perhaps, debt.

And, we also changed around this - the policy is if a student had already achieved an Associate's degree here, and they want to come back and get multiple Associate's degrees, obviously the have to be degree seeking to receive financial aid.

But those students also had to appeal, whether or not they were over the maximum timeframe, because we really wanted to make sure that they were - their plans to be here were something specific to an educational outcome.

So we made some of those adjustments, specifically, for SAP, related to the (unintelligible) version. We made a lot of changes in SAP over the last year. I think those three are significant to the SAP aversion project.

(John): So...

Woman: Okay, we're - it's now 2:30, so we're going to have to conclude this afternoon's session. We have a few questions that are still outstanding, and we will make sure that the presenters receive those and we get responses to all the schools that have questions that we have not - we were not able to address.

So, (John), at this point, you can go ahead and initiate the survey.

(John): Okay, I've done that. What people will see on their screen now is the beginning of a survey process. We certainly - we absolutely encourage you to go forward with the survey to help us know how we did today. Did we give you what you needed? Is there something else that you needed that we didn't include?

But this is your opportunity now to give us some feedback about both the quality and the direction of this session. So - but we want to thank you very much for participating and look forward to many conversations on the topic of loan default prevention with you in the future. Thanks very much.

Woman: Thank you.

END