

Default Management Plan

Pre-enrollment

Southeastern Technical Institute provides financial aid information to all prospective students via in person, email or on their website: <http://stitech.edu/index.php/financial-aid/>. On this website, they will find the Financial Aid Handbook and the link to apply for the Free Application for Federal Student Aid (FAFSA). The student services advisor delivers information at open houses, High School Colleges Fairs, presentations, orientations and to walk-in students. The financial aid office has financial literacy materials from the Department of Education that are handed out at open house and orientation. During orientation, all students are encouraged to create an account with Salt. Salt powered by American Student Assistance features online resources to provide additional one on one support.

At initial enrollment/application for aid

Once students are enrolled, they meet with the student services advisor to discuss payment options. At this meeting, STI collects as much information from the borrowers as possible. If the student has completed their FAFSA the student services advisor would also review their application at this meeting. Once the student has gathered all the necessary documents, and verification requirements are satisfied the student will be awarded.

Award Letter

Once the student is awarded, a meeting is set up with to review their aid. All enrolled students get one on one counseling to go over their aid and are encouraged to borrow only what is needed. Students can cancel or return funds in excess; above the cost for school. Borrowers are required to complete Entrance Counseling and Sign the Master Promissory Note before any aid is disbursed.

During entrance counseling, the student will learn about the following:

- What a Direct Loan is and how the loan process works
- Managing your education expenses
- Other financial resources to consider to help pay for your education
- Your rights and responsibilities as a borrower

The Master Promissory Note (MPN) is a legal document in which the student promises to repay their loan(s) and any accrued interest and fees to the U.S. Department of Education. It also explains the terms and conditions of the loan(s); for instance, it will include information on how interest is calculated, when interest is charged, available repayment plans, and deferment and cancellation provisions.

Upon Graduation or Withdrawal

All students who received a subsidized, unsubsidized or PLUS loan under the Direct Loan Program or the Federal Family Education Loan (FFEL) Program, must complete exit counseling; and are required to complete exit counseling when a student graduates or withdraws from STI.

Exit Counseling provides the student with the following:

- Estimated balance of loan(s) when the borrower completes the program;
- Interest rate on the borrower's loan(s);

Adopted: 10/12

Revised: 8/15

Reviewed: 1/18

- Name, address and telephone number for the borrower’s lender;
- Sample loan repayment schedule based on the borrower’s total loan indebtedness;
- Estimated monthly income that the borrower can reasonably expect to receive in his or her first year of employment based on the education received at STI
- Estimated date of the borrower’s first scheduled payment.

Exit counseling is an effective way to prevent defaults and is often the last opportunity that borrowers have to work with someone at school regarding their loans.

STI students who withdraw from STI are sent an exit packet, which directs them to <https://studentloans.gov/myDirectLoan/index.action> to complete their exit counseling.

Sixty days prior to graduation students receive email notification from the Student Services Advisor to complete their exit counseling on: <https://studentloans.gov/myDirectLoan/index.action> , as this is a graduation requirement. Students who do not complete Exit Counseling will not receive their diploma.

STI notifies all lenders and guarantee agencies once a students’ status has changed via the clearinghouse report, which is completed on a monthly basis. Accurate reporting activity ensures that borrowers receive their full grace period and further ensures that contacts from the loan servicer, such as correspondence and telephone calls, occur in the appropriate timing and sequence.

Entering Repayment

After graduation or withdrawal borrowers will receive communication via phone or email based on the following schedule:

30 days from Last Date of Attendance	Email communication
60 days from Last Date of Attendance	Email communication
90 days from Last Date of Attendance	Email communication
120 days from Last Date of Attendance	Email and Phone Call
150 days from Last Date of Attendance	Email and Phone Call
180 days from Last Date of Attendance	Email and Phone Call

Borrowers in repayment are monitored through the National Student Loan Data System (NSLDS) Southeastern Technical Institute contracts with a 3rd Party Vendor to manage students who have reached delinquent or default status.

Plan Review

The default management plan is evaluated on an annual basis by students, faculty, and staff.