



Annual Conference
May 27 – 30, 2014
St. Petersburg, FL



Charting Our Future



2014



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St. Petersburg, Florida

Renaissance Vinoy Resort May 27 - 30



Tampa Bay Student Loan Consortium

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Charting Our Future

Gulf of Mexico

Tampa Bay

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Agenda

- Discuss the “student loan bubble” and the current loan landscape
- What is the Tampa Bay Student Loan Consortium?
- What some of the consortium members are doing at their institutions



\$1 TRILLION in student loan debt!

FinAid! The SmartStudent Guide to Financial Aid

Loans | Scholarships | Savings | Military Aid

Student Loan Debt Clock

\$1,181,440,778,025

This clock reports an estimate of current student loan debt outstanding, including both federal and private student loans.

CBS money watch .com

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2 out of 3 Student Loan Borrowers Are Struggling

By Lynn O'Shaughnessy | Mar 24, 2011 | 3 Comments

Lynn O'Shaughnessy
The College Solution

Here is the ugly side of runaway college costs: A frightening number of student loan borrowers can't repay their federal college debt on time.

According to a new report by the Institute for Higher Education Policy, nearly 67 percent of student loan borrowers were delinquent on payments at the end of their firms' fiscal year.

HUFFPOST COLLEGE

FRONT PAGE | POLITICS | BUSINESS | ENTERTAINMENT | MEDIA | TECH | COMEDY | SPORTS

COLLEGE | EDUCATION | THE MIDWEST | THE NORTHEAST | THE SOUTH | THE WEST

Student Charged In Tyler Clementi Suicide Wants Record Expunged

Top 10 Post-Grad Regret

Amanda M. Fairbanks
amandam.fairbanks@huffingtonpost.com

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Newly Graduated And Drowning In Six Figures Of Student Loan Debt

Los Angeles Times | BUSINESS

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MONEY & CO. | TECHNOLOGY | PERSONAL FINANCE | SMALL BUSINESS | COMPANY TOWN

IN THE NEWS | LAERS-HORNETS | NFL DRAFT | DAVID PETRAZAS | SOUTHERN STORMS | SOCIAL MEDIA

Hollywood's new diet secret... How to connect the brain to stop over-eating

Who gets to use small cruise cabins at huge discounts

More college graduates are delinquent on repaying student loans

Statistics typically show how many students simply fail to make payments. But a new study has found that for every person who defaults on student loans, at least two more fall short on payments.

The New York Times | Education

WORLD | U.S. | N.Y. | REGION | BUSINESS | TECHNOLOGY | SCIENCE | HEALTH | SPORTS | OPINION

POLITICS | EDUCATION | BAY AREA | CHICAGO | TEXAS

Spring Celebrations
ROASTED VEGETABLE MAZZO LASAGNA

Loan Study on Students Goes Beyond Default Rates

By TAMAR LEWIS
Published: March 15, 2011

For each student who defaults on a loan, at least two more fall behind in payments on their student debt, a new study has found.

THE CHRONICLE of Higher Education

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HP Compaq 8200 Elite Ultramini Desktop PC with the 2nd generation Intel Core i5 Processor

Government

Study of Delinquent Borrowers Finds Many Student-Loan Recipients 'in the Middle'

By Kelly Field

For every borrower who defaults on a student loan, there are at least two who become delinquent without defaulting, according to a report released on Tuesday by the Institute for Higher Education Policy.



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2010 3YR CDR on a national level

- 3 YR CDR rose from 13.4% to 14.7%
 - Public: 13.0%
 - Private non-for-profit: 8.2%
 - For-profit: 21.8%
 - Community College: 20.9%
- 2 YR CDR average rate rose from 9.1% to 10%
 - Public: 9.6%
 - Private non-for-profit: 5.2%
 - For-profit: 13.6%
 - Community College: 15%



2010 3 YR CDR – National Landscape

- Approximately 4.1 million borrowers
- 5,951 schools entered repayment
- 600,545 defaulted borrowers
- This continues to support the concept that we have a ***repayment crisis*** as opposed to a debt crisis when it comes to student loans



2014

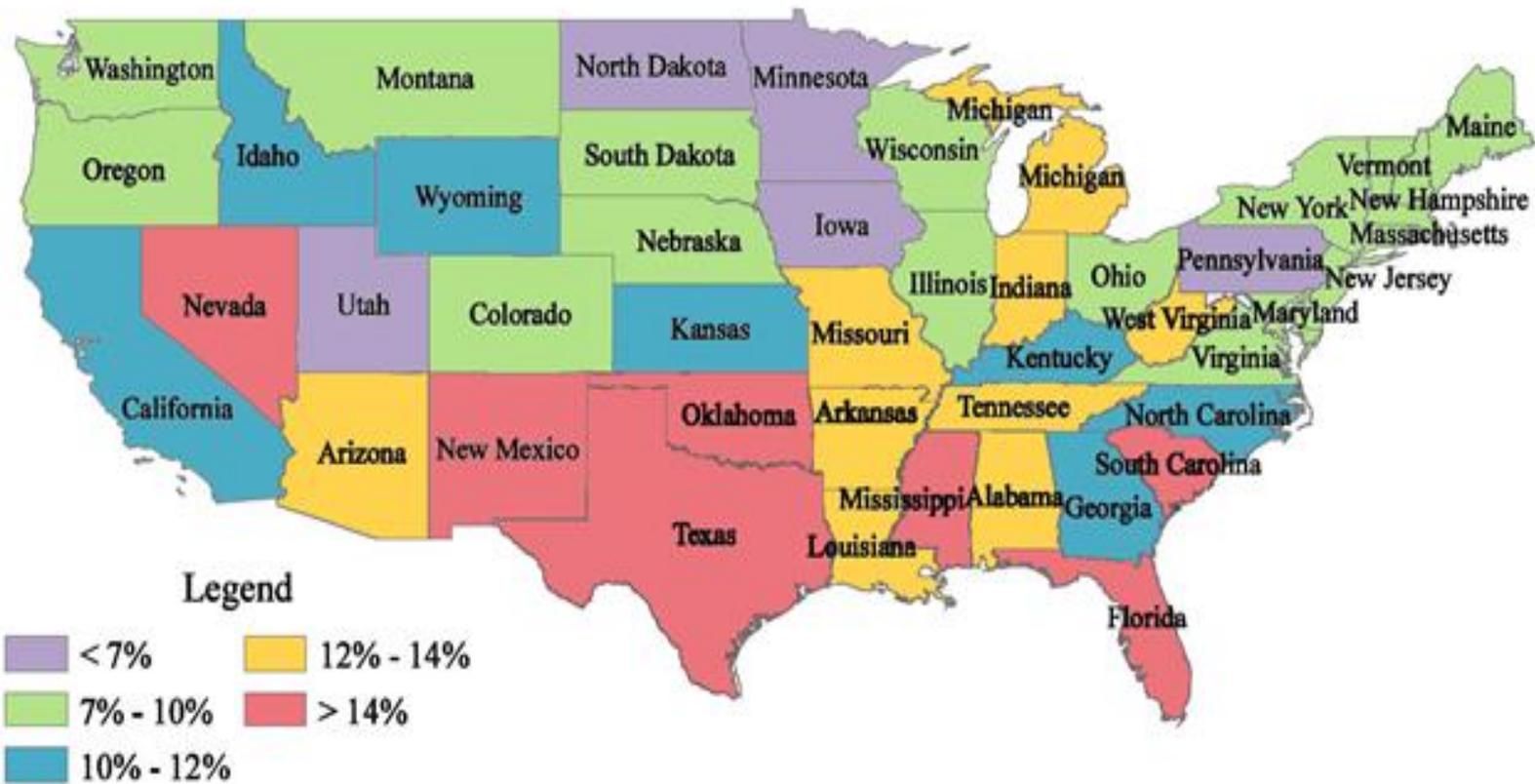


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Student Loan Delinquency Rates across States (2012-Q3)



Lack of funding for default aversion initiatives on campus

- USDOE has earned \$50 Billion in loan profit this year!
- Will USDOE invest some of the interest rate profits in default prevention, default aversion or a loan call center?



Little help and power for schools

- Financial aid professionals are unable to adjust or deny student loans to groups of students
- As long as the school's Cost of Attendance allows, schools are required to let students borrow up to their maximum and cannot put additional steps in place beyond the Master Promissory Note and Entrance Counseling
- To keep debt down and stay within Gainful Employment guidelines, fa professionals need to be proactive with how much a student borrows



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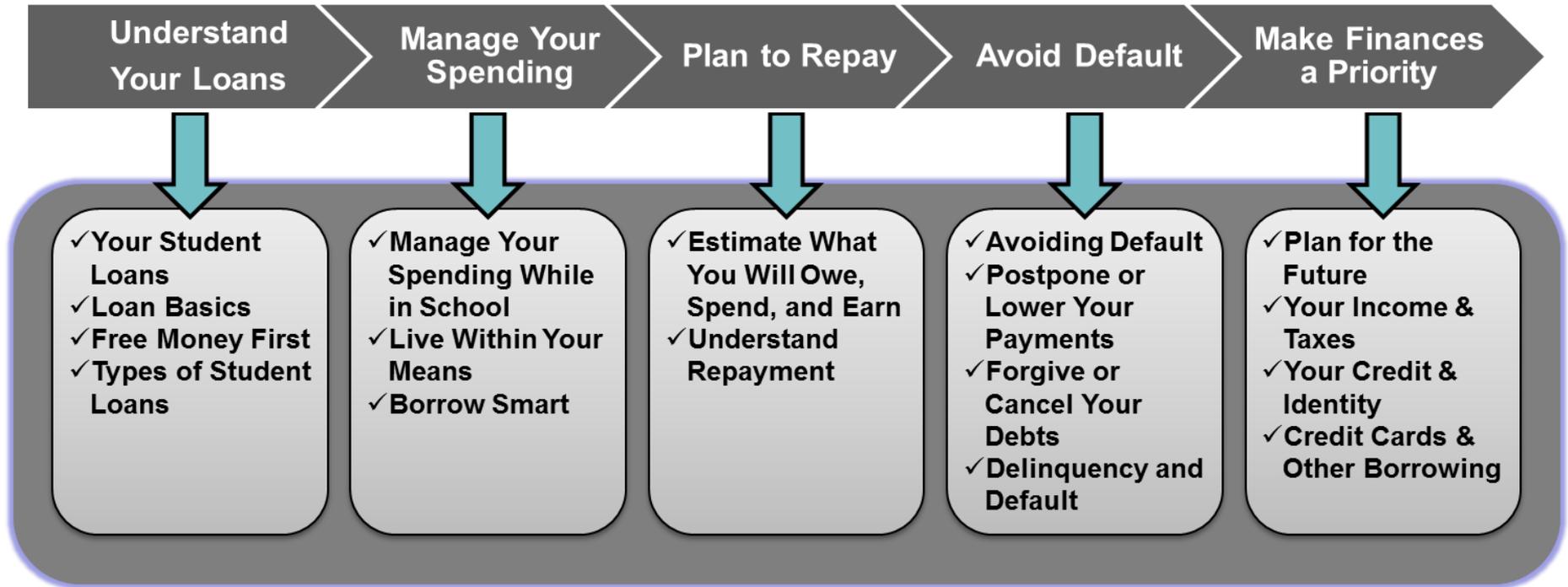
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Extensive review of debt, delinquency and default

- Different picture than media portrays
- The amount of student loan debt is not always the number one indicator of potential default
- Academic advising and completion are a part of student success expectations



Financial literacy counseling



*NOTE: Exit Counseling does not include “Manage Your Spending While in School.”
Available on studentloans.gov*

What schools are doing

- Have to be creative in solutions
 - Free and/or low cost options don't often show significant results but are often our only option
 - Industry changes have left few choices
 - Few schools have their own default aversion programs
- Most school administrators, specifically senior level management, have yet to see this as an institutional problem
 - Until default rate hits the 30% mark, there are no school sanctions
 - Since potential defaulters are no longer enrolled, it's hard to get assistance for them



Default prevention choices

- Create a Default Prevention Center with a defined area and staffing
- Outsource default prevention with business partners
- Embrace a “hybrid model” using the appropriate mix of campus and business partner resources



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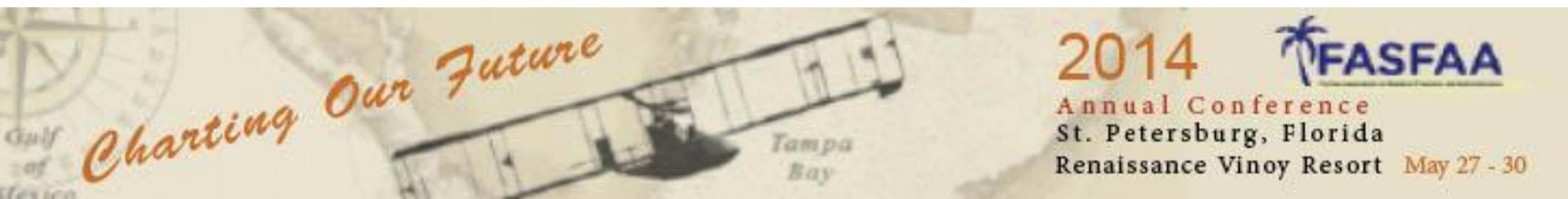
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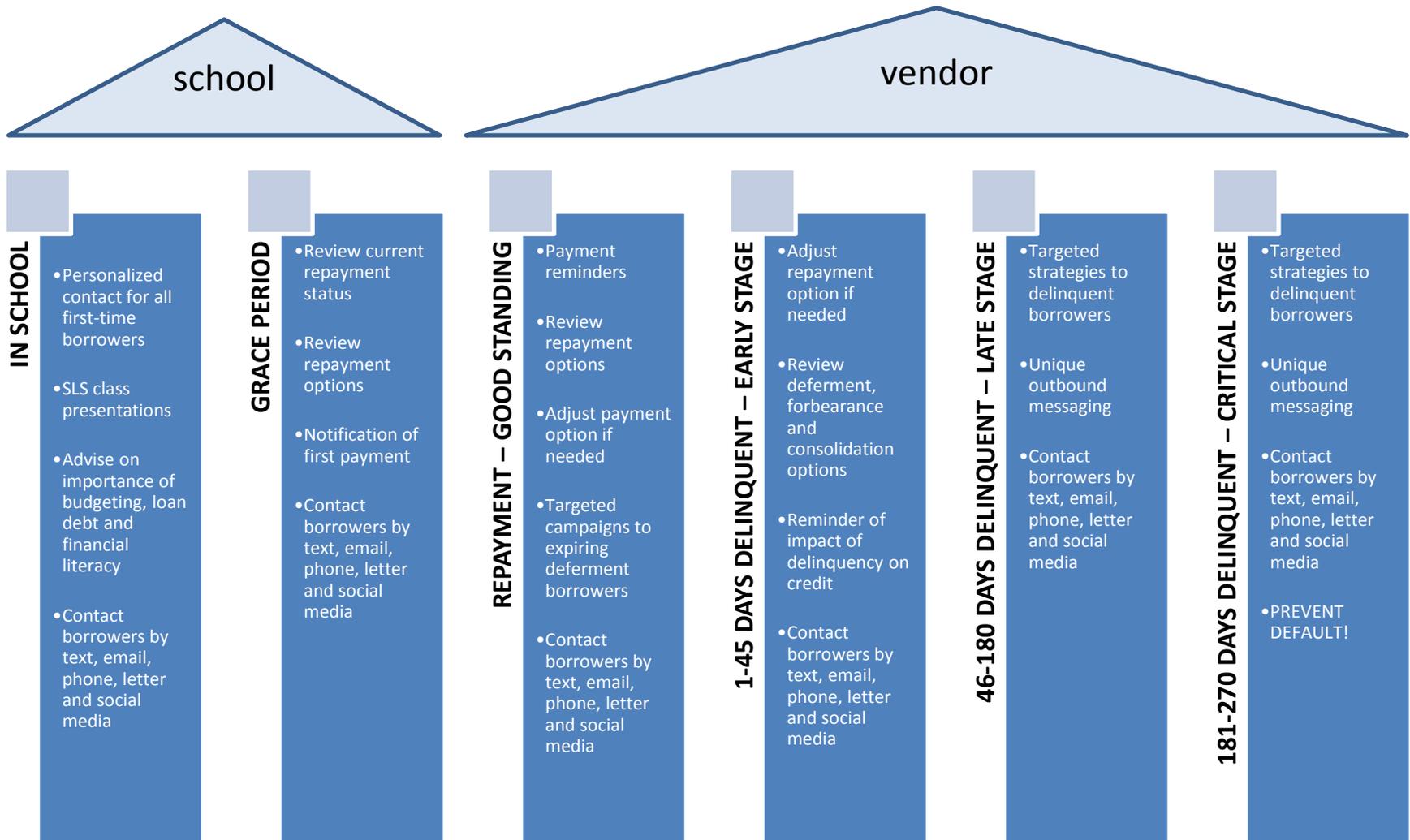
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Default prevention activities

- Communications to students
- In-school activities
- Repayment management
- Default risk reduction
- Default management task force
- Include other campus offices – this isn't just FA
- Conduct risk analysis to identify defaulters – you need data! (otherwise perception is reality)
- Partner with business partners



Default prevention activities



Federal loan servicers

Federal Loan Servicers	Borrower Contact #
Aspire Resources Inc.	1-855-475-3335
CornerStone	1-800-663-1662
ESA/Edfinancial	1-855-337-6884
FedLoan Servicing (PHEAA)	1-800-699-2908
Granite State – GSMR	1-888-556-0022
Great Lakes Educational Loan Services, Inc.	1-800-236-4300
MOHELA	1-888-866-4352
Nelnet	1-888-486-4722
OSLA Servicing	1-866-264-9762
Sallie Mae	1-800-722-1300
VSAC Federal Loans	1-888-932-5626

Conduct CDR analysis to identify defaulters – you need data, otherwise perception is reality!

- Typical findings
 - Never contacted
 - Don't respond to communications
 - Developmental courses
 - Late admits
 - Did not graduate
 - Graduated, but no license
 - Late majors
 - Reduced earning power
 - Exit counseling
 - Level of indebtedness
 - Poor study habits
 - Academic preparedness
 - Low GPA
 - No “campus connection”
 - No jobs in profession
 - Low attendance
 - Transportation



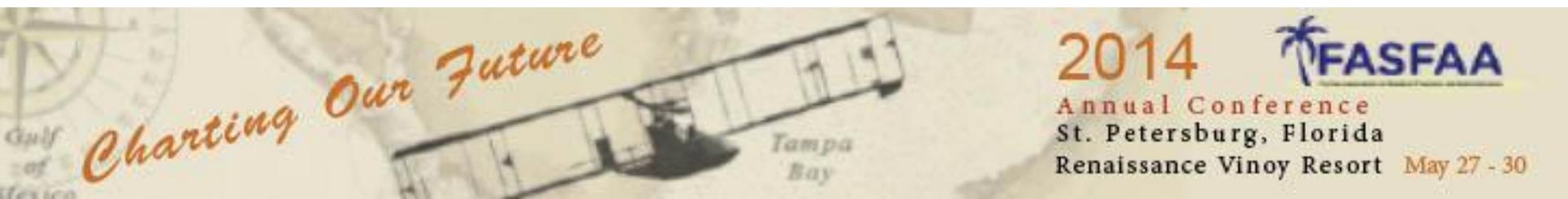
Florida initiative – loan consortium pilot

- On Nov. 19, 2012, an invitation was sent to a group of institutions in the Tampa Bay area to share strategies, best practices, training, forms & resources
- Main topics: debt management, financial literacy and default prevention



Tampa Bay Student Loan Consortium

- Group discussions allow collective exploration of solutions to common problems
- Become more informed about services that assist staff and students, especially as we are often working with the same students
- Meetings rotate among member institutions, with host being the main presenter
- Facilitates networking opportunities
- Agendas, minutes and handouts are on www.fasfaa.org



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Member institutions

- Clearwater Christian College
- Eckerd College
- Everest University
- Florida College
- Hillsborough Community College
- Keiser University
- National Aviation Academy
- Saint Leo University
- State College of Florida
- Stetson Law
- St. Petersburg College
- University of South Florida
- University of South Florida – St. Pete
- University of Tampa



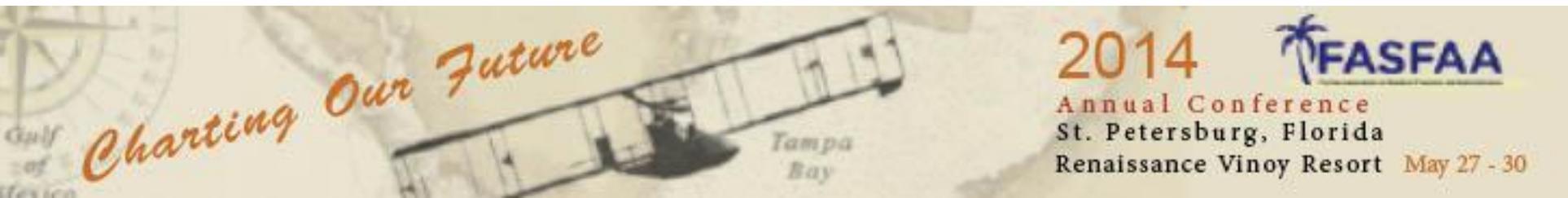
St. Petersburg College



St. Petersburg College
SPC

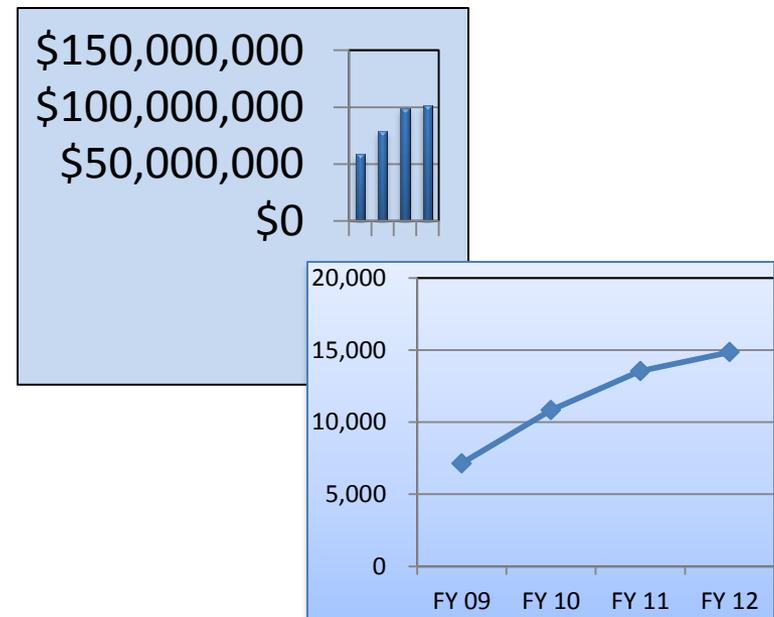


- Founded in 1927
- First Florida State College in 2002
- Largest provider of online education in FL (25% of all programs are online)
- 70% independent, average age of 28
- 2012 head count – 45,914
- 70% part-time
- 54% of 2012 students are financial aid recipients totaling \$170 m
- 72% of students who receive financial aid receive Pell
- 53 staff members, 9 campuses

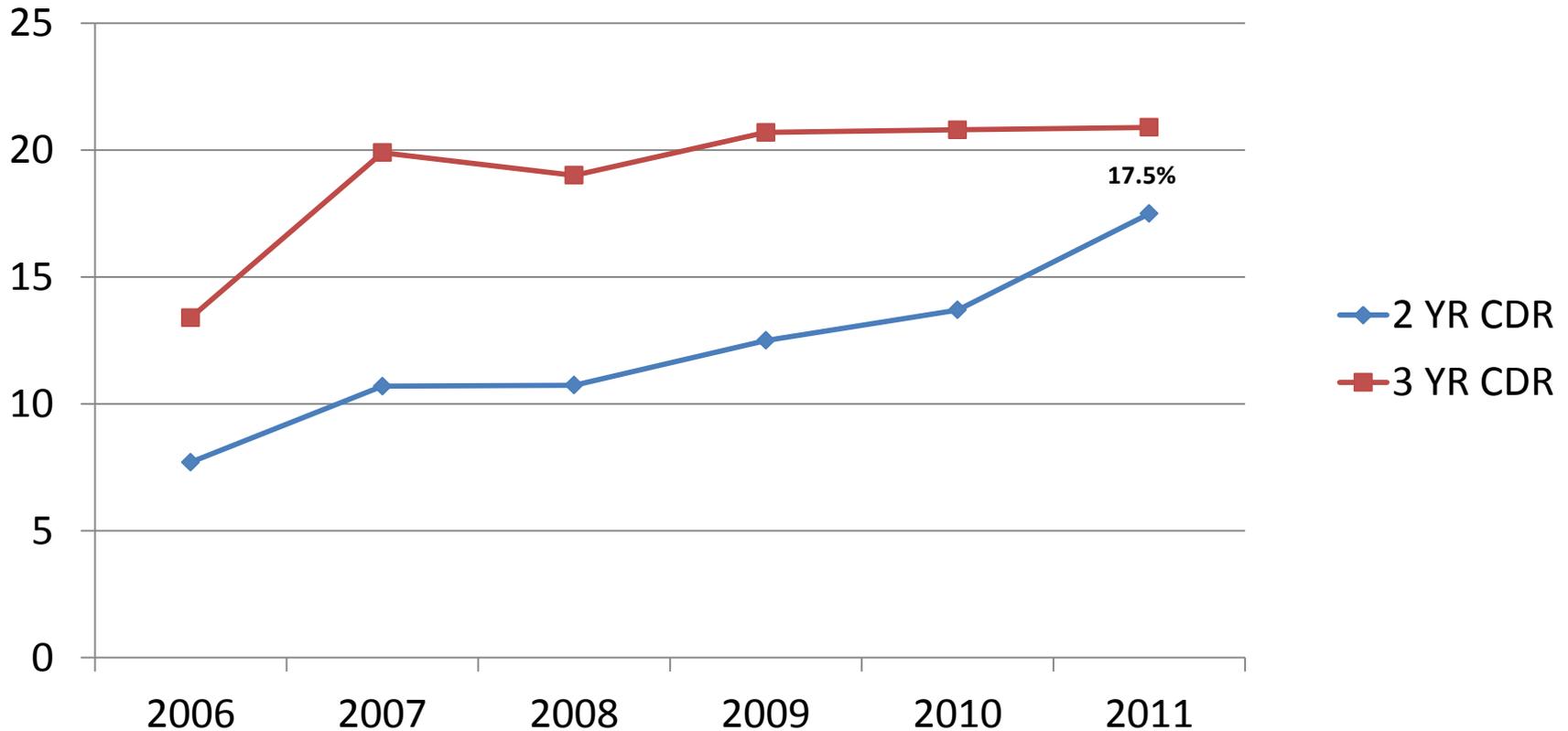


Student loan debt @ SPC

- Over the past 5 years, we have seen a doubling of student loan borrowing
- Yearly loan averages
 - Lower Division - \$7,841
 - Upper Division - \$9,442
- Loans disbursed
 - Over \$102 m disbursed
 - About 15,000 borrowers



SPC Cohort Default Rate



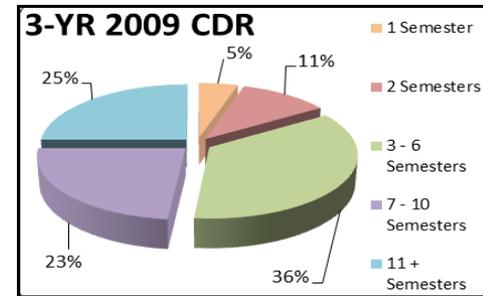
SPC 3 YR CDR

- FY 2010 3 YR CDR – 20.9%
- 680 defaulters out of 3252 students entering repayment
- Total loan amount defaulted - \$7,761,968 with an average amount of \$11,415 per borrower
- 9th highest 3 YR CDR among Florida's 28 state colleges and 4th highest in the number of defaults



CDR Analysis – Delinquency & Consolidation

- Students attended on average between 3 and 6 terms with a number of unsuccessful grades (W & F)
- A number of students who go into delinquency return to SPC and enroll at least half-time, but do not request an in-school deferment or forbearance
- A lot of students who consolidated after defaulting. If consolidated prior to default, would not be included in CDR. Some who consolidated subsequently paid in full



Source: ProEducation Solutions,
St. Petersburg College, Cohort Default Rate (CDR) Review Oct 2012



Default prevention @ SPC

- Develop SPC's *It's MY future!*
- Create internal team dedicated to default management
- Hire a Default Prevention Manager
- Entrance.Exit Counseling & financial literacy
- Identify business partners to cure delinquencies
- Hire Peer Advisors with FWS funds
- Active participation in Tampa Bay Student Loan Consortium



Successes so far!

- Current partner with ASA
 - Over 7,800 activations
- Student presentations
 - Financial literacy embedded in freshman experience classes
- Social Media presence



SALT CAMPUS EVENTS

ST. PETE'S IS ON THE MONEY!

They posted info about SALT all over the college's website. SALT was front-and-center on their main webpage and on their financial aid page, with a link to the SPC/SALT video created by their very own videographer. Banners were hung and posters posted. Then, with sidewalk chalk in hand, the SALT sign-up table made its way to 6 of the SPC campuses over a 3-day period during the first week of classes. Facebook posts were made and Tweets followed. By the end of the week, the SPC Facebook page had received over 7,000 views, and their activation rate climbed to over 3,200 activated students since they launched this summer. Great work, SPC! You're definitely On The Money.



WANT TO SHARE HOW YOU'VE PROMOTED SALT ON YOUR CAMPUS? YOU COULD BE FEATURED IN THE NEXT SALT NEWSLETTER!

Let us know 



University of South Florida: a Snapshot

USF Tampa: 41,000+ students

- 28,000+ enrolled full-time
- 12,000+ enrolled part-time

Program serves 30,000 undergraduate population



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Student Loan Indebtedness at USF

- \$22,557 average for 1213 graduating cohort
- 1213 Loan Volume: \$215,619,669.00
- 2009 3 year Cohort Default Rate (CDR)=10%
- 2013 Draft 3 year CDR=7.5%
- Factors contributing to increase in borrowing:
 - Tuition increases
 - Tuition differential fee (additional fee charged by SUS)
 - Reduction in Bright Futures funds
 - Time to graduation



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Financial Education @ USF

Bull2Bull

Staff

- One associate director
 - Program direction & administration
- One assistant director
 - Daily operations
- One team manager
 - Trains & supervises peers
- One admin specialist
 - Program administrative office support
- Two graduate assistants
 - Assist with peer training & presentations
 - Assists with loan delinquency/default & program statistics
- Five undergraduate peer educators



“Bull 2 Bull”

Peer based program

- Experiential learning for peer educators
- Provides financial education to undergraduate students who are in or may be in stressful financial situations



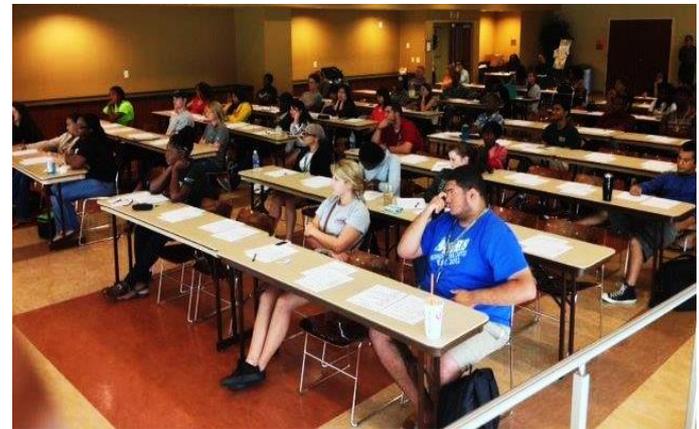
Peer Led Programs

- Group Seminars
 - “Don’t Be Gulli-Bull, Save Your Refund” — Budgeting Seminar
 - “It’s Tackle-A-Bull” — Managing Credit Seminar
- Collaborative Programs
 - University Experience courses
 - Wellness USF
 - Housing
 - Honors College
- Freshman Orientation
- Transfer Orientation
- One on One Counseling



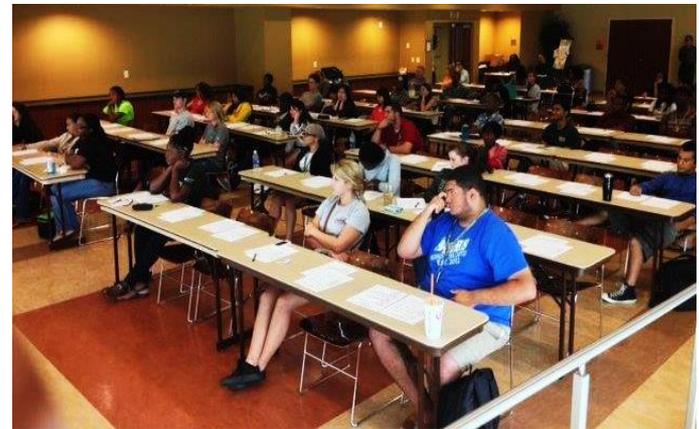
Targeted Programming

- “Are You Responsi-Bull?”
 - Tracking students who request assistance in managing their funds
- “Repay-a-Bull” -- Loan Repayment Exit Counseling
- “Prepare-a-Bull” -- First Time Borrower Counseling
- Financial Counseling to Families of Out of State Students



Targeted Programming, cont'd

- Satisfactory Academic Progress Financial Counseling
 - High borrowing pattern
 - Not on pace to graduate
- Required for all students who successfully appeal SAP GPA/Pace as part of their academic plan



Delinquency Prevention & Default Management

- Grace period outreach
 - Currently tracking group of students who attended our first in person exit counseling sessions in April 2013, summer 2013, & spring 2014
 - Payment due reminder emails
- Delinquent borrower outreach
 - Phone calls
 - Emails
 - Letters
- Defaulted borrower assistance
 - Phone calls
 - Emails
 - Letters



The University of Tampa



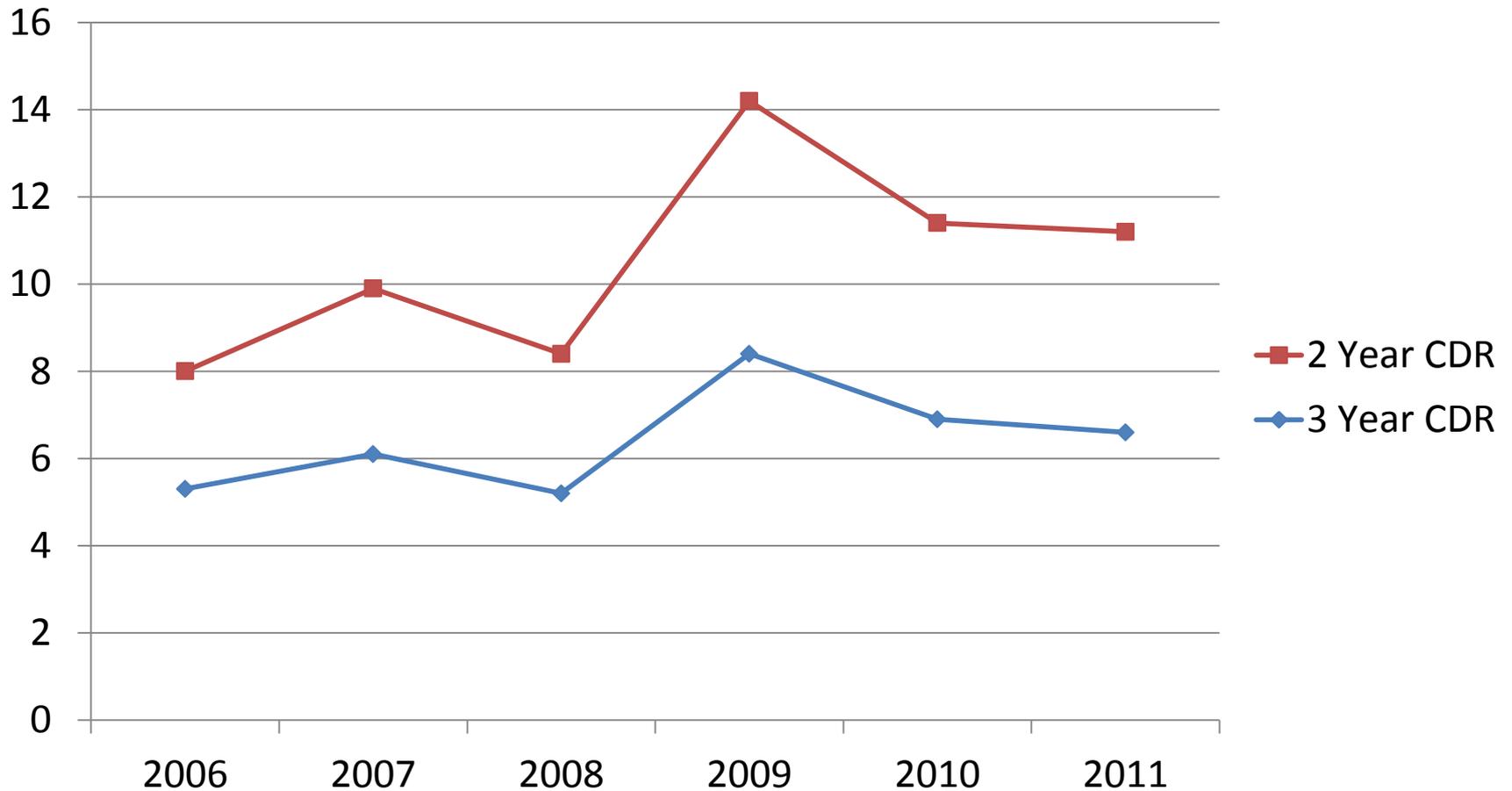
- Founded in 1931 as Tampa Junior College
- 1933 was transformed into The University of Tampa
- 7,200 students enrolled (graduate and undergraduate)
 - All 50 states represented
 - 130 countries represented
- Average student age 18-22 for undergraduate population
- 92% of students receive financial aid totaling \$160 million dollars
- 10 Financial Aid staff members, 1 campus location

2012-2013 UT Estimated Financial Aid

Loans	\$81,563,503
Subsidized	\$24,633,420
Unsubsidized	\$38,023,101
Parent PLUS	\$18,672,871
Graduate PLUS	\$ 234,111
Scholarships & Grants	\$85,349,592
<u>Federal Work Study</u>	<u>\$ 364,250</u>
Total	\$248,840,848



University of Tampa Cohort Default Rate



3 Year Cohort Default Rate

- University of Tampa's FY 2010 3 year Cohort Default Rate is 6.9%.
- 83 defaulters out of 1,195 students entering repayment

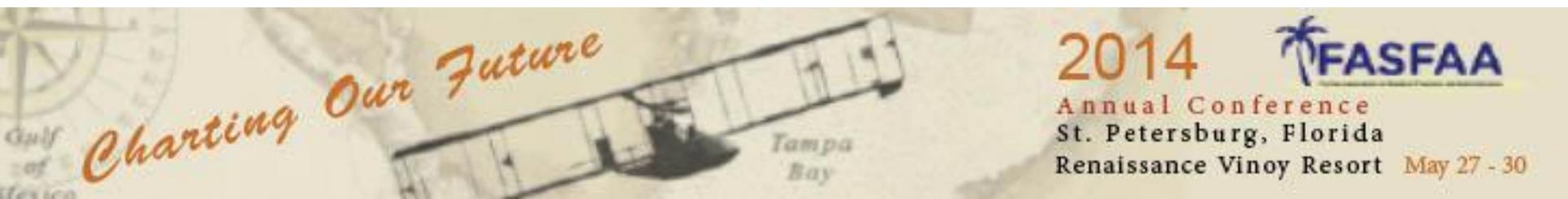


Student Loan Indebtedness at UT



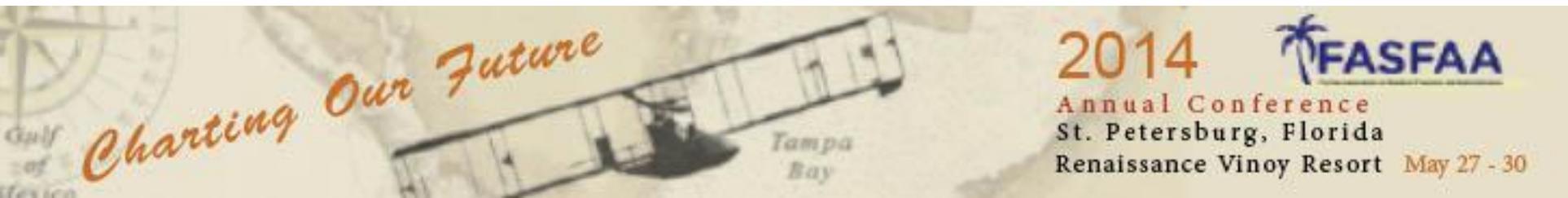
- Indebtedness Average (full –time students)
 - Borrowers Only \$24,315
 - All Students \$14,345
- Indebtedness Average (part-time students)
 - Borrowers Only \$28,601
 - All Students \$21,625
- Percentage of students graduating with student loan debt
 - Full-Time 59%
 - Part-Time 76%

*2013 Graduates



UT's partnership with SALT

- Signed with SALT December 2011
- Implemented SALT live on campus February 2012
- Currently we have a 7% activation rate



Current Default Prevention Program

SALT Ambassadors

- Hired 5 federal work study students
- Table in main dining hall
- Attend sporting events
- Attend Career Services job and internship fairs
- Attend transfer orientation fairs
- Present financial literacy presentations to all first year experience classes
 - Transfers (Fall) / Freshman (Spring)
- Present financial literacy presentations to student groups
- Conduct loan exit counseling presentations



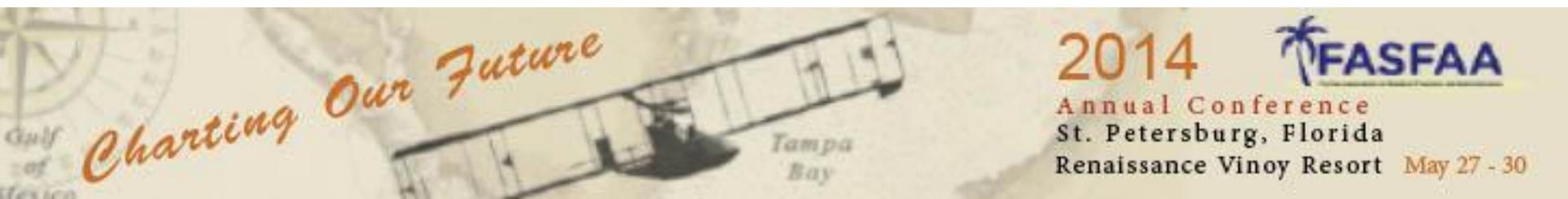
UT is an active participant for all Tampa Bay Student Loan Consortium meetings



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Future Default Prevention Program

- Hire a Default Prevention Manager
- Maintain 5 SALT Ambassadors (FWS students)
- Budgeting trainings with treasurers of all student organizations
- Train first year experience mentors and resident assistants with financial literacy tools
- Present at Student Employee Excellence Development (SEED)
- Actively participate in Tampa Bay Student Loan Consortium



National Aviation Academy

- Founded in 1969
- Student body of 700+
- Two campuses located in:
 - Clearwater, FL
 - Bedford, MA
- NAA is proud to offer 6 programs including:
 - Aviation Maintenance Professional
 - Aviation Maintenance Technology
 - Avionics Technology
 - Professional Pilot Technology
 - Aviation Maintenance Certification



Research conducted to educate our staff on the Cohort Default Process

- Read all available materials
- Contacted individuals with knowledge & experience with the Cohort Default process
- Participated in all available webinars
- Created an outline for our Cohort Default Plan



Default Aversion Plan

- Identified groups of students we needed to focus on
 - Current students
 - Recently graduated including students that did not complete and students that withdrew
 - Delinquent borrowers



Meeting with Senior Management

- Presented our plan of action
- Attempted to gain senior management support
 - Very important – “Cohort Default is a campus wide issue not just a financial aid issue”
 - Requested resources from senior management
 - Default Aversion Manager
 - Staff (2)



Plan consists of Pro-Action and Re-Action Events

- Pro-Action
 - Classroom presentations
 - Professionalism
 - Growth mindset vs. Fixed mindset
 - Loan Options & Benefits
 - Federal Loan Repayment Plans
 - Personal Budgeting
 - Financial literacy – ASA's SALT Program



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Plan consists of Pro-Action and Re-Action Events

- Re-Action
 - Students that withdrew – Exit Counseling
 - Delinquent Borrowers
 - 3 stages of delinquent borrowers
 - Early Stage, Late Stage, Critical Stage
 - Phone campaign
 - Letter and email campaign
 - Social media
 - Conference calls with servicers



Default Management Results

Cohort Year		2009	2010	2011	2012	2013	Goals
Cohort Default Rate (CDR)							
2 YEAR	(CDR) Numerator (Defaults to date)	32	46	32	37	8	#REF!
	(CDR) Denominator (Total in repayment)	235	254	342	393	436	
	(CDR) Current Data.	13.62%	18.11%	9.36%	9.44%	1.83%	
	(CDR) Best Case Est.	n/a	18.11%	9.36%	9.44%	1.83%	Less Than 5%
	(CDR) Worst Case Est.	n/a	18.11%	9.36%	19.08%	13.53%	Less Than 10%
3 YEAR	(CDR) Numerator (Defaults to date)	64	75	52	44	8	
	(CDR) Denominator (Total in repayment)	235	251	342	392	436	
	(CDR) Current Data.	27.23%	29.88%	15.20%	11.22%	1.83%	
	(CDR) Best Case Est.	29.04%	29.88%	15.20%	11.22%	1.83%	Less Than 10%
	(CDR) Worst Case Est.	29.04%	29.88%	15.20%	19.08%	13.53%	Less Than 20%



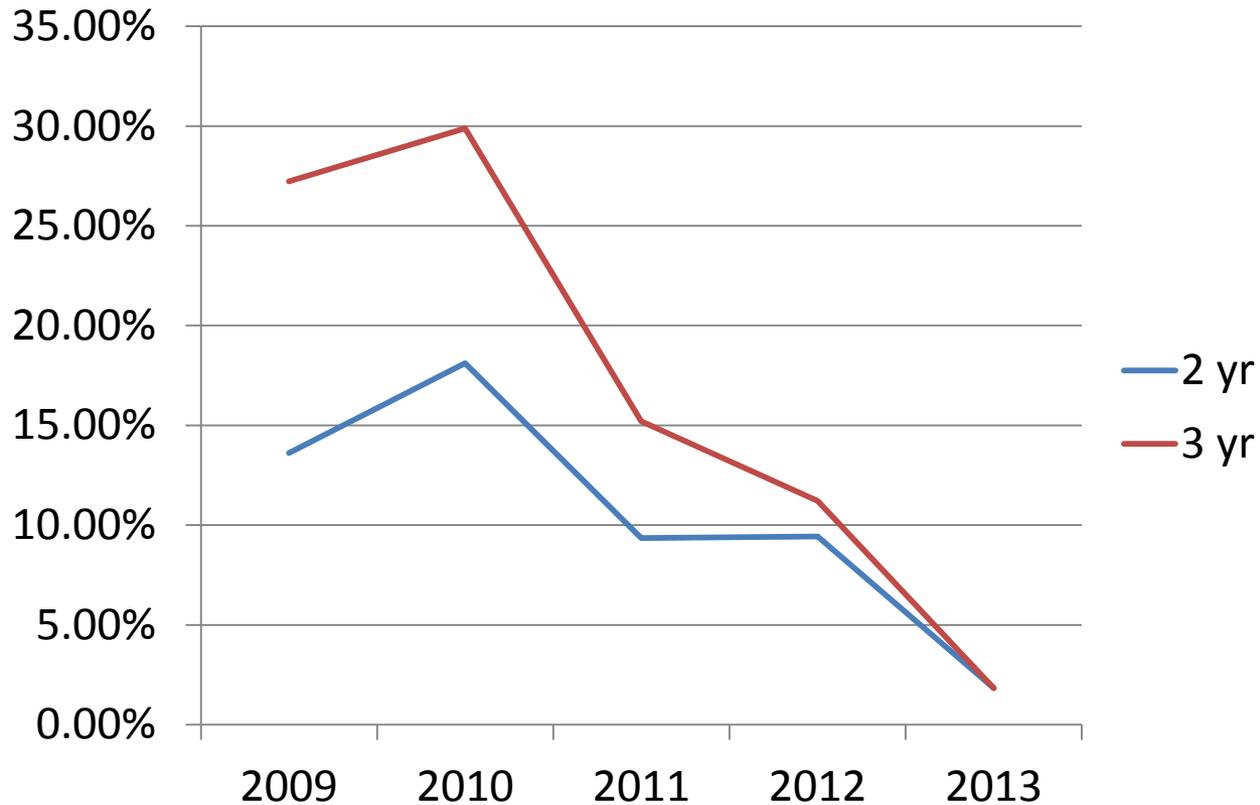
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Default Management Results



What's next?

- Data, data, data
- Expanding consortium to Orlando and Miami
- Will be presented at NASFAA



Contact us!

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May 19-22 2015

Renaissance World Golf Village Resort, St. Augustine, Florida

