**Reedley College**

**Default Prevention Plan**

This plan is being created pursuant to the requirements in the three year cohort default rate regulations at 34 C.F.R. 668.217 (regulation). Reedley College had an official cohort of 39.3% for the FY 11 three-year calculation.

**Reedley College (RC) CURRENT OUTLOOK**

RC has only one cohort default rate calculations above 30% for both FY 2011 (39.37%). We continue to review available NSLDS reports concerning all future cohorts and our analysis suggests the following:

* FY 2012: We have reviewed NSLDS repayment information for the FY 2012 cohort and the data suggests that RC will have a projected FY 12 CDR of 23.55%, a welcome reduction below the 30% threshold.
* FY 2013: We have reviewed available NSLDS repayment information for the FY 2013 cohort and the data suggests that our projected CDR will be close to our projected CDR for FY 2012. Our ‘worst case’ CDR for FY 2013, presuming that all remaining delinquent borrowers default, will still be below 30%. The last 12 months the school has experienced a cure rate in its portfolio close to 50%. We are, as a result, projecting a final FY 2013 CDR of at worst 23%, and it may be lower than that.
* FY 2014: We continue to review available NSLDS repayment information for FY 2014 and we appear to be experiencing a cure rate similar to that achieved for FY 13. It is, however, too early in the cohort period to make a projection although we are optimistic that FY 14 will closely resemble FY 13.

Note: Our cohort default rate projections suggest that we will be below the 30% threshold for FY 12 and FY 13. We are continuing to monitor FY 14 to determine what, if any, interventions may be called for beyond what will be descried in this plan.

**COMPLIANCE STATUS AND POSSIBILITY OF SANCTIONS**

Although we are, at present, experiencing our first year at or above 30%, available data suggests that we will have an FY 2012 cohort default rate and FY 2013 cohort default rate below 30% for FY 12. Should these projections be confirmed as we received both draft and official data over the next several CDR cycles, we do not anticipate any risk of sanctions in the near to intermediate term.

**Structure of This Plan**

The structure of the Reedley College Default Prevention Plan will follow the requirements in the regulations as follows:

Part 1: Description of our Default Prevention Task Force

Part 2: Analysis of Data

Part 3: Steps/Interventions to Reduce Default Risk and Default Rates

Part 4: Measuring the Effectiveness of Interventions

Part 5: Monitoring Plan Implementation

We have also added several non-regulatory sections to complete our institution-wide plan:

Part 6: Utilizing Resources of Federal Servicers

Part 7: Other Default Prevention Activities

**Part 1: Reedley College Default Prevention Task Force**

Reedley College has created a default prevention task force as required by the regulation at 34 CFR 668.217. The task force is responsible for overseeing the entire default prevention effort, performing an executive and management function for the life of the project.

**Make-up of Our Default Prevention Task Force:**

Reedley College understands that the task force is required by regulation at 34 CFR 668.217. Given that student loan default risk arises, in part, from many aspects of institutional operation, a task force has been created that represents all parts of the Reedley College community. Here are the members of our task force and the area of institutional operation each represents:

Chris Cortes Director of Financial Aid

Cynthia Hernandez Financial Aid Asst. I/ Loan Processor

Amber Fowler Financial Aid Asst. II

Abel Simon Financial Aid Student Aide/CDR Loan Assistant

Candy Cannon Financial Aid Manager/CCCC

Letty Alvarez Admission and Records Manager

Linda Nies Business Office Manager

Sandra Fuentes Director of Student Support Services

Diana Tapia-Wright Director of Grant Funded Programs

Laurie Tidyman-Jones Academic Counselor

Juan Bedolla Academic Counselor

Sergio Lemus Academic Counselor

Rosalva Valdez Academic Counselor

Ralph Munoz Academic Counselor

Lisa McAndrews Residence Hall Supervisor

**Role of Our Default Prevention Task Force**

As mentioned above, our task force will perform an executive and management function in the default prevention process, from creating the default prevention plan to monitoring results and making changes as necessary in the future. Here are the responsibilities of our task force:

* The task force has conducted an analysis to determine who is defaulting, and why.
* The task force has created, from this analysis, a set of measureable interventions/steps that address the results of the foregoing analysis (i.e., risk that comes from poor educational outcomes, poor employment outcomes and/or poor repayment outcomes)
* The task force has created a set of strategies to execute these steps, assigning responsibility for carrying out these steps; establishing a set of measures to determine the effectiveness of these efforts; establishing deadlines for reporting results;
* The task force will monitor and measure the results of these steps and where necessary, make adjustments so that our goals will be achieved; and

The task force will, as it deems necessary, take other general steps to reduce both default rates and default risk among Reedley College student borrowers.

**Part 2: Analysis of Data**

This section will identify those borrowers who, based upon the analysis of data by the task force, appear to have a higher risk of loan default, and why.

The task force analyzed the 100 defaulting borrowers from the FY 11-12 cohort. We believe that these defaulters represent those current and future borrowers we hope to influence through the interventions described in this plan.

The following represents the results of our analysis and identifies students who enroll in Reedley College and who, we believe, are at greatest risk of student loan default in the future, and why:

* Students who are not maintaining at least a 2.0 cumulative GPA and are not maintaining Satisfactory Academic Progress (SAP)
* Students who do not complete their educational objective, and leave our college
* Students who have not completed Loan Exit Counseling and may not have accurate information as to their total loan indebtedness and/or servicer contact information
* Students who reside in the Residence Hall
* Students who enter college unprepared and enroll in Basic Skill classes.

Our identified default risk appears to be initially related to poor educational outcomes for our student borrowers, as well as later poor repayment outcomes. The steps we will describe below, in Part 3 of this plan, will describe the steps we will take to address both the impact of poor educational outcomes for our student borrowers, and steps we will take to improve the overall likelihood of loan repayment of all student borrowers.

**Part 3: Steps/Interventions to Reduce Default Rates and Default Risk and Assignment of Responsibility**

Default risk arises, in general, from poor educational outcomes, poor employment outcomes and/or poor repayment outcomes. This was certainly the case at Reedley College. As we articulated in Part 2 above, Reedley College’s default risk is being driven by, in most cases, a combination of these factors. Our interventions will include steps which are designed to address the nature of the risk identified. As you will see, poor educational and repayment outcomes were the primary driver of default risk among student borrowers at Reedley College. Our corresponding interventions include both student success and student repayment components. Below we have described the interventions that will become the core of the Reedley College default prevention plan, together with the person/entity responsible for carrying them out:

The California Community College Chancellor’s Office (CCCO) has begun a system-wide effort to increase both student persistence and student success among students who enroll in community colleges. The Task Force will be monitoring these efforts, and meeting periodically with Parker Pierson and the Student Success Committee, to discuss those areas in which the teams can work collaboratively to both increase student success and reduce default risk among current and future students.

The Director of Financial Aid will be the responsible for ensuring communication with CCCO.

Because we have so few student borrowers, i.e., between 250-300 borrowers within an annual enrollment of approximately 21,000, Reedley College will focus its default prevention efforts on all student borrowers, in general, although providing additional and specific attention on the five groups of high risk populations described above as they come to the attention of the Task Force. While not all student borrowers will receive, for example, support to increase educational outcomes, all student borrowers will receive supplemental support to improve repayment outcomes. Please note the follow steps we will take to address default risk associated with both poor educational outcomes and default risk associated with poor repayment outcomes:

**Actions to improve educational outcomes**

1. We plan to work in partnership with Reedley College’s Student Success Committee as they implement SB1456 signed into law in September 2012 to require the following for all students.
   1. Take an assessment/placement test to determine English and Math placement which will identify students who would need Basic Skills courses.
   2. Complete a college orientation (required for priority registration status)
   3. Meet with an academic counselor and develop an educational plan the list all courses required for a student to complete their program of study in a timely manner.

The Office of Outreach and Matriculation and Counseling Services are responsible for complying with the law for all students enrolled at Reedley College.

1. Reedley College will utilize our Early Alert system to reach out to student loan borrowers who are facing academic challenges. We will contact these students and ask that they meet with an academic counselor to discuss available resources to enhance student success. Appropriate referrals will be made to our tutorial services, Disabled Student Program, Counseling Center, or Health Services Office. It is our hope that this collaborative effort to identify students and refer them to support services will reduce complete withdrawals from the college.

The Director of Financial Aid will work with the Vice President of Student Services and the Vice President of Instruction to conduct various faculty presentations and send email reminders each semester.

**Actions to improve student loan repayment**

1. Reedley College will require on-line and in-person Direct Loan Entrance Counseling of all first-time student loan borrowers. All other borrowers will be provided our supplemental financial literacy information packet and are welcomed and encouraged to attend the Direct Loan Entrance Counseling Workshop. The in-person Direct Loan Entrance Counseling Workshop provides borrowers a summary of loan terms, conditions, and repayment information. We recognize that not all students read through the information or understand the information. Also, not all students are “on-line” learners. We feel students have many questions that they would never get answered if we did not conduct in person Entrance Counseling sessions. The group counseling session will reinforce the information provided on-line and hopefully contribute to successful student loan repayment.

The Financial Aid Assistant assigned as the Loan Processor will perform this task at each site and monitor that this is completed by each new loan borrower.

1. The Financial Aid Office will make available individual loan counseling appointments for students who have borrowed $8000 or more and/or who have borrowed 100% of their 150% subsidized loan eligibility.

The Financial Aid Assistant assigned as the Loan Processor and the Director of Financial Aid will perform this task at each site and monitor that this is available to each loan borrower requesting additional information to make good student loan borrowing decisions.

1. In an effort to increase the number of students who complete the required Direct Student Loan Exit Counseling, Reedley College will implement an “Exit-to-Go” process which will catch students as soon as we discover they plan to leave Reedley College. We will have an Exit Counseling Packet ready for them, run a National Student Loan Data System (NSLDS) copy of their loan history, and meet with the student for an impromptu counseling session at the point we discover they are leaving Reedley College. The College has a withdraw process in place that requires walk-in students to get “signed-off” at each department prior to dropping all of their classes. We will also inform our Counseling staff to refer student loan borrowers to the Financial Aid Office for Exit Counseling if they know the student does not plan to return the subsequent semester.

We will continue to email students’ informational links after the semester has ended if the student is not registered for the next semester/term. We plan to include students who have completely withdrawn during the semester and are not enrolled for the following semester. These students will be contacted immediately by phone and mail about repayment and options to avoid going into default.

The Financial Aid Assistant assigned as the Loan Processor will perform this task and monitor that this is completed by each loan borrower.

1. We will continue to adhere to the federal requirement of providing timely and accurate enrollment reporting throughout the academic year by means of enrollment verification to the National Student Clearinghouse (NSC).

The Assistant to the Chancellor for Enrollment Management, Admissions and Records, and Information Services is responsible to ensure this is completed.

1. We will require student borrowers to establish an on-line account with their Federal loan servicer.

The Financial Aid Assistant assigned as the Loan Processor will perform this task and monitor that this is completed by each loan borrower.

1. We will require all student borrowers to provide enhanced, additional contact information to the Financial Aid Office during the loan application process. Students will be required to provide, at least on an annual basis, their address, phone numbers, employer, and e-mail addresses.

The Financial Aid Assistant assigned as the Loan Processor will perform this task at each site and monitor that this is completed by each loan borrower.

**Part 4: Measuring the Effectiveness of our Interventions**

The results of this implementation process will be reported back to, and measured and monitored by, the Reedley College Default Prevention Task Force. Here is how the Task Force will measure the effectiveness of the steps to be taken in our default prevention plan:

**Actions to improve educational outcomes**

1. We plan to work in partnership with Reedley College’s Student Success Committee as they implement SB1456 signed into law in September 2012 to require the following for all students.
   1. Take an assessment/placement test to determine English and Math placement which will identify students who would need Basic Skills courses.
   2. Complete a college orientation (required for priority registration status)
   3. Meet with an academic counselor and develop an educational plan the list all courses required for a student to complete their program of study in a timely manner.

The Office of Outreach and Matriculation and Counseling Services are responsible for complying with the law for all students enrolled at Reedley College.

Measurement/Reporting:

The Financial Aid Office will input student borrowers in a SQL Query so that a report can be obtained to reflect if and when the student borrowers completed an assessment test, college orientation and have an educational plan developed with a counselor. The information will be reported to the Default Prevention Task Force monthly.

1. Reedley College will utilize our Early Alert system to reach out to student loan borrowers who are facing academic challenges. We will contact these students and ask that they meet with an academic counselor to discuss available resources to enhance student success. Appropriate referrals will be made to our tutorial services, Disabled Student Program, Counseling Center, or Health Services Office. It is our hope that this collaborative effort to identify students and refer them to support services will reduce complete withdrawals from the college.

The Director of Financial Aid will work with the Vice President of Student Services and the Vice President of Instruction to conduct various faculty presentations and send email reminders each semester.

Measurement/Reporting:

The Financial Aid Office will input student borrowers in a SQL Query so that a report can be obtained to reflect if and when the student borrowers were referred to tutorial services, meet with an Academic Counselor or sought services at the Disabled Student Center.

A Financial Aid Representative will report this information to the Default Prevention Task Force.

**Actions to improve student loan repayment**

1. Reedley College will continue to provide in person group Direct Loan Entrance Counseling. We require all student loan borrowers to complete the U.S. Department of Education Direct Loan Entrance Counseling online prior to submitting a loan application. Although this is good information, not all students read through the information carefully enough and not all students are “on-line” learners. We feel students have many questions that they would never get answered if we did not conduct in person Entrance Counseling sessions. The group counseling session will reinforce the information provided on-line and hopefully contribute to successful student loan repayment.

The Financial Aid Assistant assigned as the Loan Processor will perform this task at each site and monitor that this is completed by each loan borrower.

Measurement/Reporting:

The Loan Processor will provide the Default Prevention Task Force a monthly report on student borrowers attending the group session.

1. We plan on providing individual in person loan counseling to students who have borrowed $8000 or more and/or who have borrowed 100% of their 150% subsidized loan eligibility.

The Financial Aid Assistant assigned as the Loan Processor will perform this task at each site and monitor that this is completed by each loan borrower meeting this criteria.

Measurement/Reporting:

The Loan Processor will provide the Default Prevention Task Force a monthly report on student borrowers required to and those who completed this individual counseling session.

1. In an effort to increase the number of students who complete the required Direct Student Loan Exit Counseling, Reedley College will implement an “Exit-to-Go” process which will catch students as soon as we discover they plan to leave Reedley College. We will have an Exit Counseling Packet ready for them, run a National Student Loan Data System (NSLDS) copy of their loan history, and meet with the student for an impromptu counseling session at the point we discover they are leaving Reedley College. The College has a withdraw process in place that requires walk-in students to get “signed-off” at each department prior to dropping all of their classes. We will also inform our Counseling staff to refer student loan borrowers to the Financial Aid Office for Exit Counseling if they know the student does not plan to return the subsequent semester.

We will continue to email students’ informational links after the semester has ended if the student is not registered for the next semester/term. We plan to include students who have completely withdrawn during the semester and are not enrolled for the following semester. These students will be contacted immediately by phone and mail about repayment and options to avoid going into default.

The Financial Aid Assistant assigned as the Loan Processor will perform this task and monitor that this is completed by each loan borrower.

Measurement/Reporting:

The Loan Coordinator will provide the Default Prevention Task Force a monthly report on student borrowers who have completed the online Exit Counseling as well as student borrowers who did not return the following semester and were contacted by phone and mailed/e-mailed information on repayment options.

1. We will continue to adhere to the federal requirement of providing timely and accurate enrollment reporting throughout the academic year by means of enrollment verification to the National Student Clearinghouse (NSC).

The Assistant to the Chancellor for Enrollment Management, Admissions and Records, and Information Services is responsible to ensure this is completed.

Measurement/Reporting:

The Financial Aid Director will provide the Default Prevention Task Force a report of enrollment reporting completed by the District.

1. We will require student borrowers to establish an on-line account with their Federal loan servicer.

The Financial Aid Assistant assigned as the Loan Processor will perform this task and monitor that this is completed by each loan borrower.

Measurement/Reporting:

The Loan Processor will provide the Default Prevention Task Force a monthly report on student borrowers who have established an on-line account with their Federal Loan servicer.

1. We will require all student borrowers to provide enhanced, additional contact information to the Financial Aid Office during the loan application process. Students will be required to provide, at least on an annual basis, their address, phone numbers, employer, and e-mail addresses.

The Financial Aid Assistant assigned as the Loan Processor will perform this task at each site and monitor that this is completed by each loan borrower.

Measurement/Reporting:

The Loan Processor will provide the Default Prevention Task Force a monthly report on student borrowers who are delinquent/defaulted with bad contact information.

**Part 5: Monitoring Plan Implementation**

The Reedley College Default Prevention task Force will meet, for the first six months, on a monthly basis to assess the implementation of the actions described above. Over the next month we will be developing a tracking mechanism which will allow the team to track actions taken, by whom, and the outcomes of these actions.

If student borrowers refuses to comply with any of the above identified actions stated in the plan to reduce student loan default college services will be blocked such as enrollment for future semesters and official academic transcript.

**Part 6: Utilizing Resources of Federal Servicers**

We have reviewed the default prevention products and services of our top two Federal servicers. We have decided to adopt the following products and services as part of our default prevention plan:

**Sallie Mae:** As part of the school-based outreach effort, Reedley College’s Financial Aid Office will use the delinquent letter templates provided by Sallie Mae to make contacts to delinquent borrowers in addition to the third party servicer and the federal servicers. All borrowers in delinquency will be sent these communications once per month.

**Great Lakes:** As part of the school-based outreach effort, Reedley College’s Financial Aid Office will use the delinquent letter templates provided by Great Lakes to make contacts to delinquent borrowers in addition to the third party servicer and the federal servicers. All borrowers in delinquency will be sent these communications once per month.

**Part 7: Other default prevention activities**

The California Community College Chancellor’s Office has begun system-wide efforts which we will utilize to reduce default risk in the future

1. Student Success Initiative: As noted above, the school will be working to increase both student persistence and student success among students who enroll in community colleges. The Task Force will be monitoring Reedley College’s efforts, and meeting periodically with the Reedley College school-level student success team, to discuss those areas in which the teams can work collaboratively to both increase student success and reduce default risk among current and future students.
2. Financial Literacy Campaign: A system-wide financial literacy campaign was just launched in October 2014. This project called “Cash Course” will help students make wise financial choices and prepare for their future. Cash Course will be available to every California community college student, and those who take out student loans will be strongly encouraged to participate in some of the product’s modules to reinforce and enhance loan counseling requirements prescribed by law.

Reedley College will be exploring over the coming months how best to deploy the new set of financial education tools to support our efforts to reduce student loan default risk and student loan default rates. We will be making these tools part of our financial education efforts, and by extension, part of this plan.

**Part 8: Conclusion**

The Reedley College Default Prevention Task Force understands that our default prevention efforts must focus on both short term and long term efforts to reduce both default rates among students who have received loan and are already in repayment, and default risk among those students who are currently enrolled or who will enroll in Reedley College in the future. We understand that this effort will combine strategies which are both targeted and general in nature. We will be monitoring the results of the efforts described in this plan and making adjustments as necessary to meet our institutional goals. We will continue to seek additional opportunities to both reduce default rates and default risk.

If you have questions about any aspect of this plan or the operation of our default prevention task force, please contact Chris Cortes, Director of Financial Aid, Reedley College:

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