



Financial Aid Default Management Plan

Metro Technology Centers
"Preparing for Life"



Mission

Metro Technology Centers prepares people for successful employment and life in a global society.

Vision

Metro Technology Centers will be recognized as a strategic partner in economic development by preparing a high-quality workforce.

Commitment

Metro Technology Centers provides the highest quality programs and services enabling students to succeed in their chosen career field. ([Board Policy BP-1007](#))

Quality Policy

Metro Technology Centers are committed to comply with requirements and continually improve the effectiveness of teaching, learning, and the quality management system, based on customer needs and expectations. ([Board Policy BP-1007](#))

Core Competencies

- Holistic approach to education
- Career and technical training
- High skill/high wage

Core Values

- Customer-focused
- Learning-centered
- Accountable and ethical
- Innovative
- Nurturing, sensitive and supportive
- Dedication to continuous quality improvement
- Agile and flexible



Metro Technology Centers

The objective of Metro Tech is to help students attain their career goals and provide them with the resources they need to succeed, by providing the tools and guidance needed to manage their lives and student loan debt.

Purpose

The purpose of the Default Management Plan (DMP) at Metro Tech is to serve the student loan borrowers and the institution. Metro Tech views the DMP not only as a means to remain eligible to participate in Title IV Federal Student Aid programs, but also as a service to our student loan borrowers.

A high cohort default rate can cause Metro Tech to lose eligibility to participate in all Title IV Federal Student Aid programs, including the Federal Direct loan and Pell programs. To prevent this from happening, Metro Tech has developed a DMP that will assist the borrowers in managing their loan debt by using various techniques and tools offered through the Financial Aid Office at Metro Tech.

Through the DMP, the institution's Financial Aid Office makes applicants aware of their loan status on a continuous basis. Borrowers are encouraged to keep their student loan in "good standing" throughout the life of the loan. It is the goal of Metro Tech to act as a liaison between the borrower and the loan servicer during the repayment period and to prevent the borrower from becoming delinquent or defaulting on their loan obtained through our institution.

Metro Technology Centers believes in the worth of all individuals and is committed to equal opportunity for each employee, student or any person visiting a District campus. Metro Technology Centers does not discriminate on the basis of race, color, national origin, sex/gender, age, marital or veteran status, religion, pregnancy, or genetic information or disability in recruitment, hiring, placement, assignment to work tasks, hours of employment, levels of responsibility, and pay.



Terms

The following abbreviations are used to represent these positions or offices:

- COD Common Origination and Disbursement System
- FAA Financial Aid Assistant
- FAO Financial Aid Officer
- MTFAO Metro Tech Financial Aid Office
- DMP Default Management Plan
- DMT Default Management Team
- ISIR Institutional Student Information Record
- MPN Master Promissory Note
- NSLDS National Student Loan Data System
- Ascendium Ascendium Education Solutions, Inc.

Contact Information

Metro Technology Centers

Financial Aid Office

1900 Springlake Drive | Oklahoma City | OK 73111

405.595.4430

Melissa.thornton@metrotech.edu



The William D. Ford Federal Direct Loan Program (Federal Direct Loan Program) makes low interest loans available to students, attending at least half-time, to pay their cost of attending post-secondary school. Metro Tech is a participating institution in the Federal Direct Loan Program. Eligible students borrow directly from the U.S. Department of Education.

Metro Tech realizes that the two parties who have the greatest stake or risk in participating in the Federal Direct Loan Program are the student borrower and the institution. Therefore, Metro Tech has implemented a DMP as a mechanism to aid students during the repayment process to prevent delinquency and a default, which in turn helps keep Metro Tech's cohort default rate within an acceptable range.

DEFAULT MANAGEMENT PROCESS

Stages of the Default Management Plan (DMP)

The DMP is divided into five stages:

STAGE 1	Entrance Counseling
STAGE 2	In-School Period
STAGE 3	Exit Counseling
STAGE 4	Grace Period
STAGE 5	Repayment Period

Copies of letters, notices, or forms are available in the Metro Tech Financial Aid Office (MTFO) or [Metro Tech's Financial Aid webpage](#). For More Information, Contact MTFAO at 405.595.4446, 405.595.4436 or 405.595.4457

STAGE 1: Entrance Counseling

In accordance with the federal law, Entrance Counseling is required of all first-time student loan borrowers. Metro Tech requires ALL student loan borrowers to complete Entrance Counseling regardless of a student previously completing counseling at a different school. Borrowers are to contact the MTFAO with any questions regarding their loan, even if they are no longer in school. *The intention of this personalization is to establish Metro Tech as partners with students in the MTFAO and DMP, not as a collection agency.*



All Metro Tech Direct Loan borrowers must complete Entrance Counseling before receiving a first disbursement. These students are directed to access www.studentaid.gov.

This session provides the student with complete loan information including loan procedures and borrower rights and responsibilities, repayment, use of the Master Promissory Note (MPN), consequences or default, etc. Once the Entrance Counseling session has been completed, the student is directed to complete the MPN process.

Computers are available in the MTFAO for students who do not have access to a computer so they may complete the online Entrance Counseling and MPN processes.

Loans will be included on an award letter sent to all students whose National Student Loan Data System (NSLD) history does not reflect any previous defaulted loans or loans that are at or close to the aggregate loan limits. The award letter will direct the students to access the Entrance Counseling website listed above. Metro Tech requires all borrowers to complete the Entrance Counseling session, and upon completing that process, are then directed to complete MPN.

The award letter instructs the student to print the Entrance Counseling results and the first three pages of the MPN and attach both documents to a signed copy of the award letter (which indicates the student has accepted the loans awarded) and submit the documents to the MTFAO. Metro Tech's Financial Aid staff is available to address any questions or concerns the student may have.

Previous Borrowers-Counseling Online

Previous borrowers, who are new students at Metro Tech, are required to complete the online Entrance Counseling process as outlined above.

All borrowers are required to completed the online MPN, for the subsequent enrollment period as Metro Tech does not use the multi-year MPN option. These borrowers are defined as students who have completed their first academic year of the program but still have a remaining portion of the program to complete and are applying for loans for the remaining portion of their program.



Re-Entry Students

When a re-entry student requests a loan, and has not completed the online Entrance Counseling session as previously outlined, said student will be required to complete that process.

Previous Defaulters

All previous defaulters must submit an appeal for approval through the Metro Tech's Default Management Team (DMT). They are notified of this by a letter.

The DMT consists of several objective Metro Tech employees who do not work in Financial Aid. In the case of previous defaulters, the team will review each situation on a case-by-case basis before approving or denying an individual's participation in the student loan program.

1. The student borrower must complete an appeal by completing a [Previous Defaulted Student Loan Appeal Request Form](#) (FA-F-0007) and submit it to the FAO.
2. Each DMT member is notified by the FAO via email and the appeal information is forwarded to each team member as scanned documents via email. Enrollment, progress, and attendance information is submitted with form FA-F-0007.
3. Upon review, the DMT member submits his or her vote, via email, to the FAO.
4. Once all votes are received, the student borrower is notified in writing of the outcome of the decision.
5. If approved, the student borrower is notified via an award letter that includes a loan award. The student borrower completes the online Entrance Counseling and MPN processes as outlined in the previous pages.

If the appeal is not approved by the DMT, the student borrower will be notified via email. All decisions are final.

STAGE 2: In-School Period

During the In-School Period, the MTFAO will continue to educate all current loan borrowers in the following ways:



Counseling

Counseling for continuing students occurs throughout the loan process and for the duration of the student's enrollment. Anytime a student contacts the MTFAO, the student is made aware that MTFAO's staff welcomes the opportunity to answer all student questions regarding financial aid including grants and loans.

Delayed Disbursement

For all students at Metro Tech, the estimate date for the first disbursement will be on/or near the 30th day of the class.

Satisfactory Academic Process (SAP)

All Title IV recipients are expected to adhere to Metro Technology Centers' SAP requirements listed in Metro Tech's [Financial Aid Student Consumer, VA and Procedure Guide](#) (FA-M-0003.) The first and second loan disbursements are based on the requirements listed in the Student Consumer, VA and Procedure Guide (FA-M-0003.). For the loan origination, first and any subsequent disbursements, the student must maintain an average attendance rate of 90%, per pay period as required by the Metro Tech's Financial Aid [Satisfactory Academic Policy](#) (FA-F-0061.)

STAGE 3: Exit Counseling Process

All loan borrowers who graduate or withdraw from school before completion of the program must complete Exit Counseling. Exit Counseling reinforces each borrower's understanding of their rights and responsibility to repay the debt. Once the student graduates or withdraws from school, there is a six-month grace period allowed before repayment begins.

All students who exit are required to complete [Exit Counseling](#) electronically and a 1:1 interview with a Financial Aid Staff Member.

1. A letter instructing the student of the process to complete Exit Counseling is emailed to the student with the Loan Exit Counseling form and other helpful repayment information. Students are informed that prior to completion of their programs, they must complete Exit Loan Counseling. Information concerning student loan balance, repayment, deferment, forbearance, and default is thoroughly covered. Exit Counseling is also required of students who complete early or withdraw. Exit Counseling can be completed by accessing www.studentaid.gov.



2. Students are also required to do a 1:1 Exit Counseling with a Financial Aid Staff Member. At the counseling session, they will go over the Loan Exit Counseling (FA-F-0046), review NSLDS and discuss repayment options.
3. Student's will be given repayment and default prevention brochures and answer any questions they may have. In cases such as Aviation and some Health Care classes, a group exit may be completed by an FAO and/or Director through web-cam, by Zoom or at the student's site. All students who do not complete this process will be put on a Financial Aid hold until the process is completed. Students on a hold will need to see the FAO to have the hold lifted.
4. Students should maintain a current address on file. Students are encouraged to contact the MTFAO and Loan Servicer with any address changes.

STAGE 4: Grace Period

The grace period is based on the last date of attendance, when a student graduates or withdraws from school. The grace period is six-months.

STAGE 5: Repayment Period

The repayment period is the stage in which students are required to start making monthly payments on their loan. During this period, a partnership between the MTFAO and Ascendum Education Solutions, Inc. provides services to coordinate efforts to bring the borrower into satisfactory repayment, subsequently preventing the student borrower from becoming delinquent on their loan or defaulting.

DELINQUENCY AND DEFAULT PREVENTION

Ascendum Education Solutions, Inc.

Metro Tech partnered with Ascendum Education Solutions, Inc. (Ascendum) on February 1, 2020 to provide additional grace period and default prevention counseling. Ascendum contacts students during the grace period or in various stages of delinquency via email and telephone campaigns. Ascendum imports borrower loan information from NSLDS' School Portfolio and Delinquent Borrower Reports and from the loan servicers. Through email and phone calls, Ascendum notifies the student of their delinquency status and offers to assist the student to work with the loan servicer to return to a current status.



Measuring the Effectiveness of the Default Management Plan

Metro Tech has access to a dashboard on Ascendium's www.Attigo.com portal. Through reports available on the dashboard, Metro Tech is able to review key performance indicators for the outreach services provided by Ascendium. These reports allow Metro Tech to monitor:

1. Cohort Default Rate (CDR) trending and risk factors for the active three-year CDR periods:
 - a. Default data as of the prior month which includes borrowers in default and borrowers entering repayment for each cohort.
 - b. Overall Loan Portfolio Status including percentages of borrowers in repayment, delinquent, defaulted, payment suspended status, grace period and in school.
2. Grace, Forbearance, Deferment and Delinquent email communication campaigns with detailed information on:
 - a. Number of emails sent
 - b. Estimated email open rates
 - c. Contact information used for each borrower
 - d. Borrower's Loan Servicer
3. Track the success of outreach campaigns by month and aggregate total:
 - a. Number of borrowers cured/resolved
 - b. Aggregate outreach numbers

Additionally, on an annual basis Ascendium will provide a summary of its outreach activities which will include information on:

- Skip trace searches performed
- Calls placed
- Emails sent
- 1:1 conversation between the borrowers and Repayment Support Team
- Estimated 3-year CDR for active and open years

OTHER SERVICES OFFERED TO BORROWERS

Workshops to Assist Borrowers with Debt Management

During the course of the year, the FAO may invite Consumer Credit Counseling Representatives and loan servicers to present Financial Literacy Workshops at Metro Tech for students. These workshops may include topics such as personal money management, debt management, and credit awareness skills.



Continued Professional Training for Financial Aid Staff

Through membership in professional organizations and participation in conferences and training workshops, members of the MTFAO will continue to maintain a high level of professionalism to better serve current students and those who have exited Metro Tech. The Financial Aid staff continue to keep in close contact with the professional staff at Ascendium. Grace, delinquency and default resolution support is also available from Federal Student Aid.



School Code 016140
Metro Technology Centers School District 22
1900 Springlake Drive
Oklahoma City, OK 73111

Dear Student,

A high default rate can cause Metro Technology Centers to be disqualified to participate in all Title IV Federal Student Aid Programs. This includes both the Federal Direct Student Loan and Pell Grant Programs. To prevent this from happening, Metro Tech has developed and implemented a Default Management Plan.

All students, who previously defaulted on a federal student loan, must submit an appeal for approval before final completion of the Entrance Loan Counseling session and before a Federal Subsidized and/or Unsubsidized Direct Student Loan Master Promissory Note can be originated for processing.

Your Institutional Student Information Record indicates that you previously defaulted on a student loan. Therefore, you are required to complete an appeal, in the form of a completed questionnaire, regarding your previous default. Contact the Financial Aid office for the Previous Defaulted Student Loan Appeal Request Form (FA-F-0007). You may use additional pages should you need more space to complete this appeal form in full. Upon completion, return it to:

Metro Tech
Financial Aid Office
1900 Springlake Drive | Oklahoma City | OK 73111

Your appeal statement will be reviewed by Metro Tech's Default Management Team. You will be notified of the results of your appeal in writing, either with a revised award letter and loan included or a denial letter.

Please complete and submit the Previous Defaulted Student Loan Appeal Request Form (FA-F-0007) within 10 days of starting your program. For questions or additional information, call 405.595.4430.

Sincerely,

Melissa Thornton
Financial Aid Officer and VA Certifying Official



PREVIOUS DEFAULTED STUDENT LOAN APPEAL REQUEST FORM

*Return completed form to Alicia Smith, Financial Aid Director,
1900 Springlake Drive, Oklahoma City, OK 73111*

Name:

Date:

1. When did you go into default on your previous student loan?
2. Why did you go into default?
3. What was the total amount of your previous defaulted loan?
4. How was the loan repaid?
5. Was the method of the loan repayment voluntary* or involuntary ?
6. Describe your educational endeavor at the time you took out the previous student loan. Did you complete the program?
7. What are your current educational goals?
8. What are your future employment plans?
9. How do you expect the repayment of the student loan that you receive for your training at Metro Tech to be different from the repayment of your previous student loan?
10. Do you have any other information you would like to share regarding your appeal?

** "Voluntary" payments are payments made directly by the borrower; and do not include payments obtained by state offsets or federal Treasury offsets, trustee payments, wage garnishment, or income or asset execution.*

For Financial Aid Office Use Only: Appeal Status: Approved Denied Date Student Notified:



Office of Student Financial Aid
1900 Springlake Drive, Oklahoma City, OK 73111
Phone: 405-595-4446 Fax: 405-424-4010

LOAN EXIT COUNSELING

Complete and submit this form to Metro Technology Centers, Office of Student Financial Aid. Please PRINT clearly.

Student Name: _____

Street Address: _____ City _____ State _____ Zip _____

Phone (Home) : _____ (Cell): _____ Email: _____

Direct Loan borrowers at Metro Technology Centers must complete the reference information below. All references must reside within the U.S., not share the same address, must be over 18 years of age and cannot be another student or instructor. List your nearest relative in Reference #1.

The office of Student Financial Aid may need to contact you regarding a loan issue. In the event that we are unable to contact you at your current address, your references will be contacted to assist us in obtaining your new phone number and address. Your information is confidential and will not be discussed.

Student Loan Borrower's Work Information

Your employer _____

Business address _____

Supervisor's phone number _____

Your job title _____

Reference #1 (Nearest relative)

Name _____

Street address _____

City/State/Zip _____

Home phone _____

Cell phone _____

Work phone _____

Relationship to you _____

Reference #2

Name _____

Street address _____

City/State/Zip _____

Home phone _____

Cell phone _____

Work phone _____

Relationship to you _____

Reference #3

Name _____

Street address _____

City/State/Zip _____

Home phone _____

Cell phone _____

Work phone _____

Relationship to you _____

I understand that incomplete reference information will prevent or delay the services I am requesting (transcript orders, grade acquisition, registration).

Student's signature

Date



Difficulty in Paying your Student Loan?

There is no reason for a student to default on their student loan. Follow the link to have questions answered: <https://studentaid.gov/manage-loans/default>. For additional questions, contact MTFAO, Melissa Thornton, 405.595.4430.

Understanding Default

If a student's loan continues to be delinquent, their loan may go into default. The point when a loan is considered in default varies depending on the type of loan they received.

For a loan made under the William D. Ford Federal Direct Loan Program or the Federal Family Education Loan Program, the student borrower is considered to be in default if the borrower doesn't make the required scheduled student loan payments for at least 270 days.

If the student borrower has defaulted on any federal student loan, contacting the organization that provided the default information should be made as soon as possible. By providing a full explanation of the situation and discussing options, the student borrower may be able to resolve their default quickly, if a repayment arrangement is made immediately after the loan has gone into default.

Consequences of Default

The consequences of defaulting can not only impact the student borrower's ability to borrow, but can impact their finances as well. Consequences include:

- The entire unpaid balance of the loan and any interest owed becomes immediately due. This is called acceleration
- The student can no longer receive deferment or forbearance, and loss of eligibility for other benefits, such as the ability to choose a repayment plan
- Loss of eligibility for additional federal student aid
- The default is reported to credit bureaus, damaging the student borrower's credit rating and affecting the ability to buy a car, a home or be approved for a credit card.
- It may take years to reestablish a good credit record
- The possibility of being unable to purchase or sell assets such as real estate
- Tax refunds and federal benefit payments may be withheld and applied toward repayment of the defaulted loan. This is called [Treasury offset](#)
- [Wages may be garnished](#). This means the employer may be required to withhold a portion of pay and send it to the loan server to repay the defaulted loan.
- The loan server may take the student borrower to court



- The possibility of being charged court costs, collection fees, attorney fees, and other costs associated with the collection process
- If the student borrower's school withholds their official transcript, upon request the school must provide the student borrower with an unofficial transcript that might be accepted by another institution. If struggling to get your transcript from the school, [submit a complaint](#) to the Consumer Financial Protection Bureau

If Delinquent or in Default, the Loan Servicer can Help

If a student borrower is having trouble making payments or concerned about the status of their federal student loan(s), there are options available.

Contact the [loan servicer](#) to discuss how to get back on track with payments. There are several affordable repayment options that the student borrower may be able to take advantage of to continue making loan payments even when times are tough.

Repaying Student Loans 101

<https://studentaid.gov/manage-loans/repayment/repaying-101#top-tips>

- Review your loan balance on your [Dashboard](#)
- Choose a repayment plan based on your income. The [loan simulator](#) can help you decide which plan is right for you
- Visit your loan servicer's website if help is needed. [Loan servicers](#) are an important resource
- Pay your student loans online through your loan servicer's website. TIP: Set-up autopay to ensure online payments
- Review the various loan [forgiveness options](#)

Repayment Plans

<https://studentaid.gov/manage-loans/repayment/repaying-101#repayment-plans>

- You can pick from repayment plans that base your monthly payment on your income or plans that give you a fixed monthly payment
- Repayment plans based on your income are a smart choice to lower your payment (the [Saving on a Valuable Education \(SAVE\) Plan](#) is no more than 10% of your discretionary income.) the lower your income-or the larger your family size-the less you'll pay per month.
- If you don't pick a repayment plan, your loan servicer will place you on the Standard Repayment Plan (a 10-year fixed repayment plan.) this plan may result in a higher monthly payment for you.



What are the Options for Repayment Plans?

Repayment plans fall into two groups: Fixed and Income-Drive Repayment (IDR)

On a fixed repayment plan, your monthly payment is an amount that will pay off your loan entirely (including any interest that accrues) after a set number of years. On this plan, your monthly payment generally stays the same unless your principal balance changes.

IDR plans base your monthly payment on your income and family size, and what you still owe after a set number of years gets forgiven. You will likely have a lower monthly payment on an IDR plan.

The new [SAVE Plan](#) provides the lowest monthly payments of any IDR plan available to nearly all borrowers, allowing many borrowers to make \$0 monthly payments, saving all other borrowers a least \$1,000 per year, and ensuring borrowers don't see their balances grown from unpaid interest.

Consolidating your Loans

If you have multiple federal student loans, you can consolidate them into a single Direct Consolidation Loan. This might simplify repayment if you are currently making separate loan payments to different loan servicers, since you'll only have one monthly payment to make. Additionally, a Direct Consolidation Loan could be eligible for more beneficial repayment plans than your current loans are eligible for.

There might be tradeoffs, however, so you'll want to learn about the advantage and possible disadvantages of loan consolidation before you consolidate.

Learn about Consolidation

Additional Links

[Standard Plan](#)

[Extended Plan](#)

[Graduated Plan](#)

[Income-Drive Repayment Plans](#)

[Income-Sensitive Plan](#)