



Canadian Memorial Chiropractic College US Federal Student Loan Default Prevention and Management Plan

Section I Overview

The Canadian Memorial Chiropractic College (CMCC) has had a long history of admirable student loan default rates in the Province of Ontario for many years. The average default rate on integrated student loans (i.e. federal and provincial loans) for CMCC students is 0% indicating that graduates of the Doctor of Chiropractic (DC) Program not only secure gainful employment after graduation, but do so with a financial resource base that permits them to meet their financial aid repayment obligations.

Though few students from the United States enroll in the Doctor of Chiropractic program, CMCC has specific requirements and obligations that accompany its eligibility to administer US federal student loans for these students. The Default Prevention and Management Plan will assist US students by reducing student loan defaults in the Federal Family Education Loan (FFEL) and William D. Ford Federal Direct Loan (Direct Loan) programs. This plan is a requirement of participation in the Title IV Programs (34 CFR 668.14(b)(15)). Implementation of the nine Default Prevention and Management Activities included in this plan will satisfy that requirement. Schools are required to follow regulatory guidance including: entrance counseling and exit counseling for borrowers, reporting timely and accurate enrollment information to the U.S. Department of Education (the DOE), and sharing satisfactory academic progress information across campus.

CMCC has adopted the Secretary of the US Department of Education's recommended approach to Default Prevention and Management, which includes the following activities:

- Entrance Counseling
- Financial Literacy for Borrowers
- Communication Across Campus
- Exit Counseling
- Timely and Accurate Enrollment Reporting
- NSLDS Date Entered Repayment (DER) Report
- Late Stage Delinquency Assistance (LSDA)
- Loan Record Detail Report (LRDR) Data Review
- Analyze Defaulted Loan Data to Identify Defaulter Characteristics

Benefits of Adopting a Default Prevention and Management Plan

Reducing student loan defaults and promoting student success will ensure that CMCC avoids any limitations on participation in the loan programs due to excessive cohort default rates (CDRs). Students benefit by having continued access to Title IV Student Financial Assistance Programs, learning good debt management practices, and establishing a healthy credit history. CMCC is actively committed to promoting student success help its students learn, graduate, obtain employment, and demonstrate financial responsibility through repayment of the funds borrowed to finance their education.

Consequences of Default for Borrowers (Students)

CMCC acknowledges that borrowers who default on student loans face serious consequences: Stafford Loans are considered in default after 270 days without payment. At the time of default, outstanding interest is capitalized and collection fees may be added, resulting in a loan balance that is higher than the amount borrowed. Defaulted loans are reported to credit bureaus, causing borrowers to sustain long-term damage to their credit rating. Defaulters may also face difficulty in securing mortgages or car loans, may have their wages garnished, and their federal income tax refunds and other federal payments seized. Until the default is resolved, collection efforts continue and the defaulter will be ineligible for additional federal student aid. The DOE, guarantors, and servicers undertake many activities to prevent borrowers from defaulting. CMCC can play a critical role in helping borrowers avoid the damaging consequences of default with a minimal amount of time, effort, and expense.

Consequences of Borrower Default for CMCC

CMCC acknowledges that it may face serious consequences due to high CDRs. Consequences include the loss of participation in the FFEL, Direct Loan, and/or Pell Grant programs, or be provisionally certified. CMCC has adopted effective, easy-to-implement tools that reduce defaults, promote student and school success, help preserve the integrity of the loan programs, and reduce costs to taxpayers.

Section II Early Stages of Enrollment

In accordance with DOE recommendations, that every school implement a default prevention and management plan, CMCC's Division of Student Services will undertake these required and recommended activities that make up a default prevention and management plan as early as during student registration in order to reduce the incidence of default.

Entrance Counseling

Regulations require that first time borrowers of FFEL and Direct Loan program loans receive entrance counseling. During entrance counseling, CMCC will explain how the master promissory note works, emphasize the importance of repaying the loan, describe the consequences of default, and show the student borrowers sample monthly repayment amounts based on CMCC's program of

study. US students in receipt of FFEL and Direct Loans will be required to meet with the Student Financial Aid & Awards Advisor to participate in Entrance Counselling **prior to the first disbursement of the loan**. This counseling session will ensure that the student (borrower) is aware of his/her obligations, and will also ensure that the Division of Student Services has accurate contact information for the student, including local and permanent contact information. Additional information provided in this one-on-one advising session includes:

- Estimate of required monthly payments on the student's loan balance and calculators to help estimate and manage debt (<https://studentaid.ed.gov/repay-loans>)
- Loan servicer contact information (<https://studentaid.ed.gov/repay-loans#loan-servicers>)
- Contact information for the CMCC Division of Student Services
- Introduction to National Student Loan Data System (NSLDS) for Students (https://www.nsls.ed.gov/nsls_SA/)
- *Repaying Your Student Loans* publication.
- An overview of CMCC's obligations under the Return to Title IV Policy (<http://www.cmcc.ca/financialaid>)

Financial Literacy for Borrowers

Throughout the recruitment and admissions cycle, CMCC provides prospective students and applicants with information concerning the income potential of the chiropractic profession. Career progression and income potential is also discussed in a professional panel during Orientation Week (a mandatory academic week for all new students), during which alumni who represent a diverse range of graduate career opportunities share their experiences of career and income potential during their first five to ten years of professional practice. Furthermore, the Student Financial Aid & Awards Advisor will also provide a one-hour presentation to all Year I students regarding managing their personal finances throughout their four years of the DC program. A range of financial resources for students will be highlighted, and will be made available online to students through the Division of Student Services' portal within the CMCC Learning Management System (KIRO). To further assist students in managing their debt, students are not permitted to pay any tuition or student fees (estimated at \$27,000 CDN per year) using credit cards.

Early Identification and Counseling for Students at-Risk

"Students at-risk" generally refers to borrowers who withdraw prematurely from their educational programs, borrowers who do not meet standards of satisfactory academic progress, or both. At CMCC, students who wish to withdraw from the Doctor of Chiropractic program are not permitted to do so without first meeting with the Division of Student Services. In this counseling and advising meeting, the Director, Student Affairs seeks to identify the issue that has prompted the request to withdraw, and works with the student to identify potential solutions that could allow the student to continue their studies in the academic program. Should these issues be unresolved and the student voluntarily withdraws from the program, the Director, Student Affairs ensures that the student is clear in

his/her understanding of the academic and financial obligations to the institution, but also provides information regarding the student's obligations with regards to his/her government financial aid. Furthermore, students who are at academic risk of not progressing through the program are identified as early as the first 10 weeks of the academic year, and have required academic counseling through the Division of Student Services until such a time as their academic performance improves.

Communication Across Campus

While the Secretary of the DOE's recommendations call for wide communication across campus, the Division of Student Services operates an integrated service model including Recruitment & Admissions, Financial Aid and Student Fees, Registration and Student Records, Student Success and Academic Advising, Personal Counselling, and Academic Promotion & Graduation. Professional staff in the Division whose work encompasses the aforementioned functions work from the Student Information System (SIS), which ensures that authorized staff have access to student registration and financial aid information that is appropriate to their role in student advising. The Student Financial Aid & Awards Advisor will be the primary contact person for students for US student financial aid, and ensures that all divisional staff are aware of procedures and policy obligations for the student and the institution. Furthermore, the Director, Student Affairs reports to the Vice-President, Administration and Finance – the senior executive responsible for CMCC's student and human resources functions, in addition to the institution's planning, quality assurance and accountability functions. As such, communication within and outside of the portfolio regarding institutional and public reporting of default rates will be undertaken by the Registrar and the Vice-President, including in internal accountability reports, the annual Academic Calendar, and on the institution's website. This reporting mirrors what is currently required of CMCC by the Ministry of Colleges and Universities.

Default Prevention and Retention Staff

CMCC has a full time student enrollment of 768 students in the Doctor of Chiropractic program. There are no US students receiving US federal financial aid at this time. Default prevention and student retention is a shared responsibility among all staff in the Division of Student Services, with the Registrar, Director of Student Affairs and Student Financial Aid & Awards Advisor being primarily responsible for these functions.

Section III Late Stages of Enrollment

During the later stages of enrollment and after students have left school, the following default prevention and management activities will help reduce defaults and help ensure borrower and school success.

Exit Counseling

Regulations require that schools provide exit counseling. 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. In-depth counseling that focuses on fully explaining repayment plans and choices that fit the borrowers' needs is essential. Exit counseling is the opportunity to clear up any misconceptions students may have about their loan obligations and re-emphasize the consequences of default. As a requirement of a student's eligibility to graduate, he/she not only has to ensure fulfillment of academic obligations, but also administrative responsibilities. US students in receipt of federal financial aid will undergo an exit counseling session with the Student Financial Aid & Awards Advisor. Students who do not engage in Exit Counseling may be deemed ineligible to participate in the annual convocation ceremony. The Student Financial Aid & Awards Advisor will revisit the information and resources provided to students in the Entrance Counseling session, in addition to ensuring that they are aware of the online resources available through the Department of Education and their Loan Servicer. Furthermore, the Student Financial Aid & Awards Advisor will obtain updated information from borrowers including their addresses, cell phone numbers, email addresses.

Withdrawals

In addition to strategies outlined in the previous section "Early Identification and Counseling for Students at-Risk", CMCC is required by provincial legislation to transfer any tuition funds paid in advance by an international student to a trust fund, until such a time as the tuition is earned. This practice provides an additional layer of protection for the repayment of US student loans as required by Return to Title IV and other policies.

Timely and Accurate Enrollment Reporting

Timely and accurate enrollment reporting to the Secretary or the guarantor as appropriate is required by regulation and promotes school and student success. As there is a direct correlation between late or inaccurate enrollment reporting and loan defaults. CMCC's Student Financial Aid & Awards Advisor will coordinate with the Institutional Planning Analyst in the Office of the Vice-President, Administration & Finance to ensure that CMCC meets is legislated requirements for enrollment reporting.

Section IV After Students Leave School

There are simple and effective default prevention and management activities for schools that will help borrowers during repayment. In addition, there are activities to help schools correct data and improve prevention and management practices and initiatives.

NSLDS Date Entered Repayment (DER) Report

CMCC will request a DER Report from the DOE on a regular basis and will compare the DER Report to its own records, making any necessary corrections to the borrowers' status using NSLDS Enrollment Reporting. Given the few number of US students seeking federal financial aid, CMCC will determine the necessary frequency with which this report reconciliation based upon the repayment status of that student. (Section VI Tools)

Early Stage Delinquency Assistance (ESDA)

It is common practice in Canada that a post-secondary institution's fiduciary relationship as it relates to private and government loans terminates following the student's graduation from the institution. With government student loan default rates of 0% in 2019 and years prior, CMCC has not had an active role in delinquency assistance for students. Recognizing however that the requirements of an institution as they relate to delinquency are different for US federal financial aid, the CMCC Student Financial Aid & Awards Advisor will continue to monitor a student's status where necessary and assist wherever appropriate in addressing the potential for default and minimizing barriers to repayment.

Late Stage Delinquency Assistance (LSDA)

Where appropriate, the Student Financial Aid & Awards Advisor will assist in facilitating contact between the student/borrower and guarantors or Direct Loan Servicers in situations where the student is more than 240 but less than 361 days delinquent, in order to minimize the potential for default.

Maintain Contact with Former Students

CMCC actively maintains contact with its alumni through the Division of Alumni Affairs. Current contact information is maintained with former students through that office, and graduates maintain their CMCC email addresses for one year following graduation.

Loan Record Detail Report (LRDR) Data Review

Although an aggressive and proactive approach to default prevention and management is a must for all schools, school responsibilities do not end with prevention plans, initiatives, and strategies. Schools, borrowers, and the loan programs in general all benefit from a thorough examination of the draft and official Cohort Default Rate (CDR) data to ensure that the rates are accurate and include the correct borrowers and loans. Upon receiving its rates, CMCC will examine its Loan Record Detail Report (LRDR), the report containing all the data that comprises the CDR calculation to ensure accuracy of data reflected in the CDR, and request an adjustment or appeal if necessary.

Analyze Defaulted Loan Data to Identify Defaulter Characteristics

No matter how effective and far-reaching a default prevention and management plan is, some borrowers default. A major part of any plan is to periodically review progress in preventing defaults. CMCC will review the internal data related to any defaulting borrower to then determine what sorts of remediation and/or intervention could be beneficial in the future. Recognizing again however, the relatively low number of US students in receipt of federal financial aid at CMCC, this data may or may not prove to be helpful in drawing any conclusions about defaulter characteristics and trends.

Section V Enhanced Entrance and Exit Counseling

In addition to complying with the applicable requirements in 34 CFR 682.604, 34 CFR 685.304, 34 CFR 668.165 and 34 CFR 668 Subpart D, the DOE recommends that entrance and exit counseling also include the following:

Requests for Borrower Information

- During exit counseling, obtain updated information from students including their addresses, cell phone numbers, email addresses.

Information about Repaying the Loan

- Estimated balance of loan(s) when the borrower completes the program;
- Interest rate on the borrower's loan(s);
- Name, address and telephone number for the borrower's lender;
- During exit counseling, provide a sample loan repayment schedule based on the borrower's total loan indebtedness, using the on-line tools available through the DOE;
- Estimated date of the borrower's first scheduled payment.

Reminders about Personal Financial Management and Title IV Loans

- It is recommended that schools provide financial literacy resources to borrowers at enrollment, throughout attendance, and following graduation or withdrawal. As such, the CMCC Financial Aid website (<https://www.cmcc.ca/admissions/government-financial-aid>) will be updated to provide resources to students and graduates including contact information for the DOE, and a description of where to find information on the DOE site regarding loan repayment and contact information for loan servicers.
- The Student Financial Aid & Awards Advisor will also remind students of the following during entrance and exit counseling meetings:
 - Students should borrow only what is needed and can cancel or return any funds in excess of what is needed. As such, using financial aid for expenses related to the pursuit of the academic program will be discouraged.
 - Borrowers must inform their lenders immediately of any change of name, address, telephone number, or social security number.
 - If a borrower is unable to make a scheduled payment, he or she should contact the lender before the payment's due date to discuss a change in repayment plan or other repayment options;
 - General information should be provided about:
 - Repayment options; and
 - The sale of loans by lenders and the use by lenders of outside contractors to service loans.

Section VI Tools and Activities for Schools

CMCC has noted the following recommended tools for schools to ensure data accuracy and employ effective loan counseling and default prevention and management techniques to aid students and schools. These resources will also be included on the CMCC Financial Aid website for its students.

Where do I begin?

FSA Assessments for Default Prevention and Management

<https://ifap.ed.gov/DefaultPreventionResourceInfo/>

Resources for Students

Loan Counseling

Students and Counselors

<http://www.studentaid.ed.gov>

The Student Guide and NSLDS for Students

<http://www.studentaid.ed.gov>

How much will it cost?

<http://nces.ed.gov/ipeds/cool/>

<http://www.dlsonline.com/tools/search.asp> (for Direct Loan Borrowers)

How will I pay for it?

<https://studentaid.ed.gov/sa/types> Will I make enough money in my chosen occupation to repay student loans I receive?

<https://www.bls.gov/home.htm> <https://www.bls.gov/help/pdq/nchlpover.htm> *Repaying Your Student Loans*

<https://studentaid.ed.gov/sa/repay-loans> Ombudsman Office

<https://studentaid.ed.gov/sa/repay-loans/disputes/prepare/contact-ombudsman> *Ensuring Student Loan Repayment Best Practices for Schools*

<http://www.ifap.ed.gov/eannouncements/0119stuhbkbestprectice.html>

SFA Assessments for Schools

<https://ifap.ed.gov/qahome/fsaassessment.html> Mapping Your Future

<http://www.mapping-your-future.org>

Jump Start Coalition for Personal Financial Literacy

<http://www.jumpstart.org>

Resources for CMCC

Enrollment Reporting and Data Accuracy

NSLDS Enrollment Reporting Guide, formerly SSCR User's Guide

<http://www.ifap.ed.gov/nsldsmaterials/010904NSLDSEnrollRepGuide.html>

NSLDS Date Entered Repayment Report, School Repayment Information Loan Detail Report, and Enrollment Reporting Summary Report

<https://www.nsldsfap.ed.gov>

NSLDS Reports, requesting and formatting questions

<https://www.nsldsfap.ed.gov> Reports Tab

NSLDS User ID

CPS/WAN Technical Support 1-800-330-5947

NSLDS Customer Support 1-800-999-8219

Cohort Default Rate Guide for information on challenges, adjustments, and appeals

<http://ifap.ed.gov/DefaultManagement/DefaultManagement.html>

Default Prevention

FSA Assessments

<https://ifap.ed.gov/qahome/fsaassessment.html> *Ensuring Student Loan Repayment Best Practices*

<http://www.ifap.ed.gov/eannouncements/0119stuhbkbestprectice.html>

NSLDS Reports and Exit Counseling

<https://www.nslsdfap.ed.gov>

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NSLDS Customer Support 1-800-999-8219

Late Stage Delinquency Assistance (LSDA) Guide:

For Direct Loan Schools, Direct Loan Servicing/Schools website, accessed via COD website

<https://cod.ed.gov/cod/LoginPageFor> FFEL Schools, Default Prevention Strategies

<https://ifap.ed.gov/DefaultPreventionResourceInfo/>

or contact your guaranty agency

General Connections/Publications

Information for Financial aid Professionals (IFAP) Library with publications, training, tools, references, laws, etc.

<http://www.ifap.ed.gov>

The Office of Federal Student Aid

<http://www.ed.gov/about/offices/list/fsa/index.html>

The Student Guide

<http://www.studentaid.ed.gov>

NSLDS

<https://www.nslsdfap.ed.gov> or <https://www.nslsdfap.ed.gov/secure/logon.asp>

ED Pubs, the Department of Education Online Publication Ordering System, helps you identify and order free publications from the Department. Examples of resources available at ED Pubs include the following:

- *Repaying Your Student Loans* (in English and Spanish)
- *The Student Guide*
- *Getting Ready to Pay for College*
- *Counselors and Mentors Handbook*
- www.edpubs.org
- 1-877-4ED-Pubs or edpubs@inet.ed.gov

U.S. Department of Education Default Prevention and Management Team

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