**Default Management Plan**

**Overview**

This page contains information undertaken by The American University of Paris to assist students in understanding the responsibilities of borrowing US Federal Aid, namely William D. Ford Federal Direct Loans, to fund their education and to reduce the number of students who default on their loan repayments.

**Entrance Counseling**

All students wanting to access US Federal Loans as a new student are required to undertake Entrance Counseling prior to certifying loans. All continuing students are guided towards completing counseling again before each new academic year. During Entrance Counseling, students are advised:

* how the Master Promissory Note (MPN) works;
* terms of their loan, including financial responsibility to them;
* the importance of repayment;
* the consequences of defaulting on the loan;
* and sample monthly repayment amounts.

The student completes an online training accessed through the [Federal Student Aid](https://studentaid.gov/entrance-counseling/) pages to apply for their Direct Loans. Once this has been completed, AUP’s Financial Aid office confirms the student has completed Entrance Counseling and saves a copy to our records.

## Financial Literacy for Borrowers

AUP recommends that students only borrow what they need; it is not a requirement to borrow the maximum available loans. In turn, all students should make themselves aware of the repayment obligations of the loans they intend to borrow prior to confirming which loans they wish to borrow each academic year

For students who are borrowing in subsequent years, AUP strongly recommends that they review their borrowing to date by checking their loan history on the [National Student Loans Data System](https://studentaid.gov) (NSLDS), or when completing the Entrance Counseling again.

Every year, students are required to confirm in writing via the AUP Loan Plan how much they wish to borrow. Any applications for US Federal Aid will not be taken further without the AUP Loan Plan.

AUP recommends that students make themselves familiar with the following resources from Federal Student Aid:

* [Loan repayment simulator](https://studentaid.gov/loan-simulator/)
* [Understanding what loan servicers are and finding your loan servicer](https://studentaid.gov/manage-loans/repayment/servicers)
* [Choosing a repayment plan](https://studentaid.gov/manage-loans/repayment/plans)
* [Lowering your payments](https://studentaid.gov/manage-loans/lower-payments)
* [Information about delinquency and default](https://studentaid.gov/manage-loans/default)

## Early Identification and Counseling for Students at Risk of Withdrawal

Information on responsibilities place on the student to maintain a satisfactory academic level, and the University’s responsibilities to report this, can be found within our [Satisfactory Academic Progress](https://catalog.aup.edu/policies-and-procedures/financial-assistance/satisfactory-academic-progress-sap-respect-financial) (SAP).

AUP has a responsibility to identify and report students who have withdrawn from their studies, including those taking a temporary leave of absence, within 45 days of the date the student is determined to have withdrawn. Further information on how the withdrawal date is calculated and how a withdrawal can affect Federal Aid eligibility can be found within the [University’s Return to Title IV (R2T4) policy](https://catalog.aup.edu/policies-and-procedures/financial-assistance/return-title-iv-funds).

Students considering withdrawing or taking a break from their studies are recommended to consult with members of university staff before making the decision to withdraw. Students can discuss their personal circumstances with members of AUP staff including the following resources:

* [ACE Center](https://www.aup.edu/academics/ace-center)
* [Student Development](https://www.aup.edu/student-life/support/student-development-helpdesk)
* [AUP Health](https://www.aup.edu/student-life/support/health-well-being)
* [Guidance Counseling](https://www.aup.edu/student-life/support/health-wellness/guidance-counseling)
* [Student Immigration Services](https://www.aup.edu/student-life/support/student-immigration-services)
* [Student Accounting Services](https://www.aup.edu/student-life/support/student-accounting-services)
* [AUP Financial Aid Office](https://www.aup.edu/admissions/undergraduate/financial-aid)

AUP has effective procedures in place to ensure accurate and timely communications across the relevant departments, including between the departments listed above. Therefore, academic progress and enrollment status is communicated across campus ensuring the relevant aid is disbursed on time and to the correct students and compliance with Direct Loan regulations. Academic departments are reminded of their responsibility for timely and accurate notification of changes to the student’s enrolment, such as an unapproved withdrawal, and/or satisfactory academic progress each academic year.

Once a withdrawal has been processed, the AUP Financial Aid Office will provide the student with information on their Federal Aid, including any refunds if applicable, as per the [Return to Title IV Policy](https://catalog.aup.edu/policies-and-procedures/financial-assistance/return-title-iv-funds). The student will be requested to complete their Exit Counseling.

**Communication Across Campus**

AUP has effective procedures in place to ensure accurate and timely communications across the relevant departments, including between the departments listed above. Therefore, academic progress and enrollment status is communicated across campus ensuring the relevant aid is disbursed on time and to the correct students and compliance with Direct Loan regulations. Academic departments are reminded of their responsibility for timely and accurate notification of changes to the student’s enrolment, such as an unapproved withdrawal, and/or satisfactory academic progress each academic year.

## Exit Counseling

As an obligation of borrowing US Federal Aid, students are reminded to complete Exit Counseling following graduation or withdrawal from their studies at AUP. Students who fall below half-time enrolment are also required to complete Exit Counseling. AUP’s Financial Aid Office advises all students of their obligation to complete Exit Counseling, which can be completed via [Federal Student Aid site](https://studentaid.gov/exit-counseling/).

**Timely and Accurate Enrollment Reporting**

AUP will ensure that accurate information on enrollments, including updates to individual student records, is reported in a timely manner via NSLDS at two-monthly intervals. Additionally, the Financial Aid office is always available should students wish to submit a student loan deferment form to their private or federal servicer.

# **Maintain Contact with Former Students**

Former AUP students retain their AUP email address when they leave campus. Additionally, AUP’s alumni office works to maintain up-to-date records for former students.

## Analyze Defaulted Loan Data

AUP analyzes reports on defaulted loan data available from the NSLDS. The Financial Aid Office uses these to improve default prevention, to better understand who is defaulting and why, and to see if there are common characteristics among defaulters.

AUP contacts any students identified to be defaulting on their loans to direct them to their individual loan servicer to discuss repayment options.

## Tool and Activities for Schools

AUP will make use of the recommended tools (listed below) to ensure data accuracy and employ effective loan counselling and default prevention and management techniques to aid students in receipt of Federal Aid and the University itself.

# Where do I begin?

FSA Assessments for Default Prevention and Management

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

# 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.dlssonline.com/tools/search.asp> (for Direct Loan Borrowers)

How will I pay for it?

 <http://studentaid.ed.gov/students/publications/student_guide/index.html>

Will I make enough money in my chosen occupation to repay student loans I receive?

 <http://www.bls.gov/search/ooh.asp?ct=OOH>

 <http://data.bls.gov/PDQ/outside.jsp?survey=nc>

## Repaying Your Student Loans

 <http://www.studentaid.ed.gov/students/publications/repaying_loans/index.html>

Ombudsman Office

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

## Ensuring Student Loan Repayment Best Practices for Schools

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

SFA Assessments for Schools

 <http://www.ifap.ed.gov/IFAPWebApp/qualityassurance/SFAAssessment.jsp>

Mapping Your Future

 [http://www.mapping-your-future.org](http://www.mapping-your-future.org/)

Jump Start Coalition for Personal Financial Literacy

 <http://www.jumpstart.org>

# 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

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

## Ensuring Student Loan Repayment Best Practices

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

NSLDS Reports and Exit Counseling

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

NSLDS Reports, requesting and formatting questions

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NSLDS User ID

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

 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

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

 For FFEL Schools,

 Default Prevention Strategies

 <http://www.ifap.ed.gov/qamodule/DefaultManagement/DefaultManagement.html> 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.nsldsfap.ed.gov> or <https://www.nsldsfap.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](http://www.edpubs.org)

 1-877-4ED-Pubs or edpubs@inet.ed.gov

## Contact

For enquiries about this page or US Federal Aid, please contact:

[AUP Financial Aid Office](https://www.aup.edu/admissions/undergraduate/financial-aid)