

NORFOLK STATE UNIVERSITY



# Default Management

Financial Aid Office

# Default Management Plan

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## Introduction

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Norfolk State University's administrators, faculty, and staff are committed to ensuring that the University cohort default rates for students borrowing under the Federal William D. Ford Direct Student Loan Programs are less than the 10% threshold. The *Default Management Plan* for managing and monitoring the University's cohort default rate is a comprehensive plan of action that has been implemented to guide students who leave the University (i.e., graduating, withdrawing, or for any other reason) to understand the significance of borrowing responsibly and as an effort to minimize the University cohort default rate. To aid in the University's efforts to reduce the institution's cohort default rate, the Financial Aid staff members play a critical role and responsibility that includes management of the institution default rate, collaborating with external partners in handling of the institution delinquent borrower's information, directing students throughout the process of entrance and exit counseling sessions, and overseeing any financial literacy components of default management.

The *Default Management Plan* is a strategic plan that involves a means of identifying key personnel at the institution that will help to ensure the school's cohort default rate does not exceed 10 percent, establishes a process to ensure the accuracy of the school's default rate, assist agencies with skip-tracing; advises students alternative repayment options, and directs student loan borrowers to tools and resources regarding student and parent loan borrowing. In addition, the *Default Management Plan* serves as a tool for disputing the institution's cohort default rate (CDR).

### Required Elements of the Default Management Plan

The U.S. Department of Education stipulates that an institution's cohort default rate (CDR) is a measure used to determine an institution's eligibility to participate in various Title IV, HEA programs. The CDR may also be used for determining an institution's eligibility for exemptions, such as those for certain disbursement requirements under the FFEL and Direct Loan Programs. NSU's *Default Management Plan* outlines strategies for reducing the University's CDR.

In partnership with Education Management Corporation's (ECMC) Project Success, Financial Aid utilizes the organization Loan Tracker services and platform as a mechanism to:

- ✓ Utilize a web-based platform for default prevention
  - ✓ The default prevention tool:
    - Organize student loan and borrower data from all sources into a single record
    - Provide an informative dashboard with real time updates on borrower information, loan status, and default prevention activities
    - Provide 99% accuracy of cohort default rate (CDR) projections
    - Set and track cohort goals by year and campus
    - Provide analysis of repayment rates and forbearance usage
    - Provide an automated Incorrect Data Challenge (IDC) macro
    - Provide mail-merge functionality to support mass letter and email campaigns
    - Provide flexible outreach options through assigned workgroups or by using the dialer system integration
    - Provide in-depth reports in real-time, on-demand and in multiple formats (PDF, Excel or CSV)
  - Benefits
    - Provide time and resource savings
    - Increase productivity and results
    - Capable of importing 3 or 5 cohort years
    - Provide advanced analytics and institutional trends help focus borrower support and strategic planning
- ( [ecmc-solutions-loantracker-2024.pdf](#))

### Default Prevention Strategies

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In conjunction with the services provide by ECMC, the Financial Aid staff will continue notify student of both the entrance and exit loan counseling services provided by the U.S. Department of Education. Student borrowers will be provided with guidance for the sessions offered via studentaid.gov. The Financial Aid Counselors are equipped to provide information regarding loan borrowing limits, repayment options, delinquency in payments, and the adverse effects of defaulting on student loans.

The Financial Aid staff will continue its collaborative efforts with ECMC to ensure delinquency and default notifications are sent timely to student borrowers. The staff will also monitor the Loan Tracker dashboards to gage projective CDRs such that this plan will be modified to address the needs of shifts in the institutions cohort default rate.

In addition, Financial Aid has developed the Default Management Calendar of Events/Activities on Page 3 that reflects notifications to student loan borrowers.

## NSU Cohort Default Rate History

### Cohort Default Rate History

The Cohort Default Rate listed below may not reflect changes from the appeals process.

Rate Type	Rate Sub Type	Numerator	Denominator	Rate	Date Processed
<b>Cohort Fiscal Year: 2022</b>					
3YR DRAFT	ACTUAL	0	1615	0	01/25/2025
<b>Cohort Fiscal Year: 2021</b>					
3YR OFFICIAL	ACTUAL	0	1905	0	08/03/2024
3YR DRAFT	ACTUAL	0	1862	0	01/27/2024
<b>Cohort Fiscal Year: 2020</b>					
3YR OFFICIAL	ACTUAL	0	1682	0	08/05/2023
3YR DRAFT	ACTUAL	0	1675	0	01/28/2023
<b>Cohort Fiscal Year: 2019</b>					
3YR OFFICIAL	ACTUAL	102	1811	5.6	09/20/2022
3YR DRAFT	ACTUAL	102	1811	5.6	01/29/2022
<b>Cohort Fiscal Year: 2018</b>					
3YR OFFICIAL	ACTUAL	222	1928	11.5	08/07/2021
3YR DRAFT	ACTUAL	222	1927	11.5	01/30/2021
<b>Cohort Fiscal Year: 2017</b>					
3YR OFFICIAL	ACTUAL	255	1995	12.7	08/08/2020
3YR DRAFT	ACTUAL	256	1994	12.8	01/25/2020

NOTE: The above represents the University's CDR as of 5/22/25. (Received on 5/22/25 from <https://nsldsfp.ed.gov/schopl/cdr>)

## Default Management Calendar of Events

February	Begin notifying all new students loan borrowers via the Financial Aid Tentative Award Letter of Entrance Counseling requirements
July	Send reminder emails to all new loan borrowers regarding Entrance Counseling requirements
September	Continuously send Entrance Counseling reminder emails and schedule appointments from student loan borrowers, if requested Send Exit Counseling emails to student loan borrowers who officially withdrawals from the University (continuously)
October	Notify students who unofficially withdraw from the University of Exit Counseling requirements (10-week FN all F grades students)
November	Send Exit Counseling emails to graduating students Meet one-on-one with students requesting appointments for exit counseling
December	Place holds on students' MyNSU accounts to hold degrees for students' loan borrowers who fail to complete an exit counseling Notify students who unofficially withdraw from the University of Sebd Exit Counseling notifications to students on the final FN- All F grades report
January	Continuously send reminder emails to all new student loan borrowers (fall and spring semesters) who have not completed the Exit Counseling requirements Send Exit Counseling emails to students who officially withdraw from the University (continuously)
February	Began notifying all new student loan borrowers via the Financial Aid Tentative Award Letter of Entrance Counseling requirements
March	Notify students who unofficially withdraw from the University of Exit Counseling requirements (10-week FN all F grades report)
April	Send Exit Counseling emails to graduating students Conduct weekly group Exit Counseling sessions Meet one-on-one with students regarding exit counseling
May	Place holds on students' MyNSU accounts to hold degrees for students loan borrowers who fail to complete an exit counseling Notify students who unofficially withdraw from the University Send Exit Counseling notifications to students on the final FN- All F grades report
June	Send Exit Counseling emails to all students who officially or unofficially withdraw from the University regarding Exit Counseling Send Exit Counseling emails to all summer graduating seniors