

6 STEPS TO CHOOSING A DEFAULT PREVENTION PARTNER

If you've decided that your strategy for managing delinquency and default prevention requires external support, then here's a 6 step guide to help you find the *right repayment partner*.

1

Compile a super-hero team. Recruit members from various departments such as:

- Financial Aid
- Business Office
- Student Services
- Alumnae Relations



Lowering your Cohort Default Rate is a goal that benefits several areas of your school. Pulling a cross-campus team together will enrich the decision making and garner better outcomes.

2

Make your list. Check it twice. Determine your must have features and those that simply add value. Perhaps you're looking for a partner to completely handle your prevention efforts or maybe you are only looking for support with one aspect.

Some companies will feature low cost and others will be about best quality. Prioritize your list and decide what your "partner" must provide.



Answer this:

How much of the work do I want to outsource to my partner? All? Partial? Depends on the cost?

3

Develop a list of questions. Consider these:

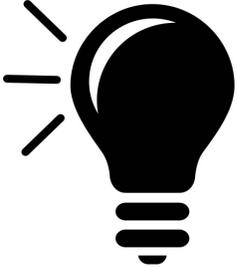
- How does the vendor gather, manage and secure borrower and loan data?
- How will you receive borrower status and performance data?
- What is the vendor's outreach philosophy and what activity supports it?
- Ask for a list of outreach expectations, what happens and when?
- How does messaging change over the span of outreach?
- What is the fee structure? Is it open ended or will you have a locked in cost?



Rank your questions in order of importance. Dive deeper into areas that most interest you. There'll be time for Q & A follow-up on other details later.

Establish timeframes.

4



Some thoughts:

- Set a deadline for internal planning and document development
- Allow 3 to 4 weeks for vendors to put together a good response
- Schedule time for review, but also time for follow-up questions and answers
- Final decision, contract review, and implementation time should be factored
- Keep in mind your key dates - breaks, finals, and orientation periods that could slow the process

Select your partner and establish your ongoing follow-up process.

While you evaluated companies and discussed timeframes, surely the implementation process and time period were important subjects.



5

Implementation should

- work within your timeline
- be accompanied by training
- include an implementation guide and support

Now, set aside time to review the program and the reporting that summarizes repayment performance.

*It takes two flints
to **start a fire**.
Congratulations
on your decision
to partner with an
expert!*

Measure the success of the outreach in two ways.

1. Conduct a borrower survey that ensures student borrowers have connected with the vendor and are implementing a strategy to manage their student loan obligations.
2. Pull your reports and schedule a time to speak with your partner so you can see the impact.

6

Where do you see the greatest result?

Have defaults decreased?

Has early stage delinquency decreased?

How many students would default in 120 days if left uncontacted?

These measurements will gauge how you can alter your campaign strategy for future success.