

# Student Debt Letter Best Practices



With the buzz about student debt letter requirements, you may have questions about how to best communicate vital debt information to your students. Let's take a closer look at student debt letters and tips on how to use them most effectively.

## Why Student Debt Letters?

Student loan debt information is already available in a variety of places—between NSLDS, student loan servicers, and your own financial aid office, it's easy to think your students are covered. However, a recent study by the Brookings Institution showed that 48% of student borrowers don't know or incorrectly estimate the amount they have borrowed, and as much as 28% of borrowers incorrectly believe they have no federal student loans at all.

Student debt letters provide loan summaries that serve as an overview of what students have borrowed and what they're expected to pay once they leave school. A well-timed student debt letter can provide a critical reminder of where your students stand while they're in school so there are no unpleasant surprises down the road.

## Tips for Successful Student Debt Letters

1. **Keep it simple.** Student loan information can often seem complicated and daunting. Make it simple for your students to understand by highlighting the following information in an easy-to-read format.
  - a. Aggregate loan amounts
  - b. Estimated repayment amount
  - c. Loan limits
  - d. Relevant contact information in case your students have questions
2. **Timing is everything.** Students are more likely to take notice of their student debt obligations during times of the year when financial aid is already on their minds. Try to time your debt letters around these times, such as when a new disbursement is about to be made on their loan.
3. **Know your stuff.** Make sure your financial aid office staff is aware of the information being sent in your student debt letters, and that they're fully prepared to answer student questions or direct them to those who can help. You might even consider including senior students as peer advisors and role models to demonstrate responsible borrowing habits.
4. **Make it a group effort.** The effects of student loan debt reach far beyond the financial aid office, and your communication efforts should, too. Start a campus-wide initiative that includes support across all departments to help students understand the importance of staying on top of their borrowing. Student debt letters are tied to student persistence and college completion, and that's something everyone on your campus can get behind.
5. **Learn from those who know.** When it comes to student debt letters, there's no need to reinvent the wheel. Connect with other institutions who are using similar efforts and talk about what works best for them. Collaborating with those who are already successfully reaching students with debt letters means you can start off on the right foot reaching out to students on your campus.

## Learn More

If you're interested in further understanding debt letters, including learning how to implement them on your campus, sign up for one of our upcoming [SmartSessions™](#) webinars.