

## THE BEST DEFENSE IS A GOOD OFFENSE.

Federal regulations are not enough to prevent default, which is why College Assist goes above and beyond standard regulations for default aversion. Our efforts involve proactive solutions that help borrowers understand their repayment obligations and find customized repayment options to fit their situations—all while lowering default rates.

We help schools by subsidizing the default fee for Stafford and PLUS loans, contacting borrowers in grace to counsel them on the specifics of repayment, approaching delinquent borrowers with a counseling philosophy and presenting solutions that bring their loans current.

The most critical time frame for a borrower is the first two years (during the cohort period). While federal regulations concentrate on those first two years of repayment, College Assist focuses on the life of the loan—keeping a constant dialogue open with our borrowers and schools. This practice helps us counsel delinquent borrowers, allowing us to provide long-term solutions to strengthen their financial wellness.

We initiate default prevention efforts at 60 days delinquent, which is 60 to 120 days sooner than other guarantors. Our efforts begin with a weekly phone call or e-mail to the borrower and are followed by letters prompting them to call and resolve their delinquent loan. If letters are undeliverable or phone numbers are incorrect, our team looks to references, directory assistance, Internet searches, motor vehicle departments, employers and even *MySpace* and *Facebook* in an effort to reach the borrower—efforts unique to College Assist.

College Assist has also negotiated a Voluntary Flexible Agreement (VFA) with the Department of Education, allowing us to increase the focus and resources put toward default aversion. We have discovered through research that the response rate is higher when borrowers receive communications from the school as

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opposed to the guarantor, and that borrowers who leave school without receiving a degree are at the highest risk of defaulting. For these reasons, we have formulated financial literacy and early outreach programs that specifically address the needs of this population.

College Assist is an industry leader in achieving well below the national average default rates—boasting the lowest default rate of any guarantor in the Western United States.

College Assist has continually reduced its cohort default rates by performing much higher due diligence than regulatory standards require and constantly seeking out new ways to educate borrowers about their rights and responsibilities.

