

Excerpts, selected by the HELP Committee, from a larger document
produced by the company

Financial Aid Training
2008

Overcoming Objections
Negotiating Payment Plans

Overcoming Objections – Example 1

- *The student is independent; is not approved for an alternative loan; is unable to find a cosigner for an alternative loan; cannot afford the monthly payments*

Overcoming Objections – Example 1

- Be sure that all payment alternatives have been discussed (savings, family help, etc.)
- Be sure that all possible suggestions for alternative loan co-signers have been discussed with the student

Overcoming Objections – Example 1

- Create a budget with the student
- Find out the student's monthly income vs. monthly expenses
- Write this out on paper with the student
- Suggest possible cuts in the expenses
 - Cable TV and other non-essentials
 - Taking one or more on-line class to reduce transportation costs
 - Using public transportation, if available, in place of driving

Overcoming Objections – Example 1

- Ask if income can be increased, especially if the student is not currently working
- Refer the student to Student Services to look for part time jobs, according to your school's process

Overcoming Objections – Example 1

- Determine what the student can afford as a monthly payment
 - The payment might be higher than what the student initially expected
- Look at ways to reduce the monthly payment to the school:
 - Reduce credit load per term from full load to full time (12 credits)
 - Offer credit extension as available at your school
 - Alternative housing arrangements

Overcoming Objections – Example 1

- Remind the student that he/she is investing in her/his future
- Talk with the student about why they initially contacted the Art Institute and why they wanted to study (name program of study);
- Reconfirm the student's desire to follow their passion to be (name result of program of study)
 - Always take the time to review the student's application before beginning the appointment so that you know what they want to study

Overcoming Objections – Example 1

- Revisit the alternative loan co-signer question
 - Write down a list of possible co-signers (parents, grandparents, siblings, aunts, uncles, family friend, boyfriend/girlfriend, etc.)
 - Encourage the student to check with people who they ruled out without even asking or who they didn't ask because they were embarrassed by their credit situation

Overcoming Objections – Example 1

- Keep in touch with the student as a person who wants to help them to achieve their goals
- Continue to offer possible solutions
- Give deadlines and follow up on the deadline dates

Overcoming Objections – Example 2

- *I don't want my parents involved. I've been on my own since I was eighteen*

Overcoming Objections – Example 2

- First, show understanding and empathy
- Then, explain the Federal Government rules

Overcoming Objections – Example 2

- Talk to the ADA to find out if the parents were part of the Admissions Interview
 - If not, work with the ADA and Student to get the parent into the school and involved with the process
- If parents are not willing to help, review the “Overcoming Objections – Working With Parents” information

Overcoming Objections – Example 3

- *Parent denied PLUS and direct cost not covered. All possible campus based and institutional aid awarded. The student still has a payment that, even with parental support, they cannot afford. Alternative loan denied.*

Overcoming Objections – Example 3

- Ask the parent to call the PLUS Lender to see if the credit can be fixed – remember, this is not a strict credit check based on a score
- Work with the parent to identify a possible endorser (co-signer) for the PLUS
- See if the other parent can apply for a PLUS
- Explore with the student/family who could be a co-borrower for an alternative loan
 - Give a deadline and follow up on the deadline date

Overcoming Objections – Example 3

- If PLUS or alternative loan is absolutely not possible, review the suggestions from Example 1, bringing the parents into the discussion

Overcoming Objections – Example 4

- *Independent student wants to attend full time or at least 12 credits. Not approved for an alternative loan, but willing to look for a cosigner. Problem - it is start week and the student does not have enough time to look for a cosigner.*

Overcoming Objections – Example 4

- Give the student a deadline of 2 days to get a co-signer
- If no co-signer, ask again about payment arrangements
- Payment arrangements must be made before the end of the drop/add period
- May need to take fewer classes if student does not have the ability to pay
- Last resort , student may need to delay starting

Overcoming Objections – Example 5

- *Student has attended another college in the past and does not want to apply for a loan until he/she knows how much the school will cost after transfer credits are evaluated OR*
- *Parent will not apply for a PLUS Loan for the same reason*

Overcoming Objections – Example 5

- Let the student know that this is good news
- “That’s great that you have already made progress towards your degree. Our Registrar will evaluate the courses and assign transfer credits; we can then update and financial plan accordingly.”
- Find out if transcripts have been submitted
- Let the family know what the timeline is for the transfer credits to be entered at your school

Overcoming Objections – Example 5

- Explain the impact of transfer credits on the student financial plan:
 - Reduces the overall cost
 - The number of terms required will likely be less
 - The graduation date will be sooner
- There probably will not be too much change in the first academic year

Overcoming Objections – Example 5

- Present the plan as it is
- Explain they will receive a new plan once the transfer credits are final
- Show them on the plan how costs and loans may possibly change
- Ask the registrar to evaluate the credits as soon as possible

Overcoming Objections – Example 5

- Explain that loans will not be certified until we know what the transfer credits are
- Explain that if there are enough transfer credits for the student to be grade level 2 the Stafford Loan will be more
- Explain that we will only certify a PLUS for the necessary amount to cover the balance and the parent will be notified what that amount will be
 - If the Stafford Loan goes up, the PLUS Loan will go down

Overcoming Objections – Example 6

- Student comes in expecting no payments.
 - “Can you share with me what your expectations are?”
 - Sample script - “Every student’s financial situation is different. We need to evaluate yours and see specifically what we will be dealing with in regard to costs, and the financial aid for which you will be eligible. We will then talk about any balance that may or may not exist and options for covering it.”