

Keiser University – Student Relationship Management Program

The Administration's focus on post-secondary education, the continued growth in enrollment caused by the obvious need to serve a population that is generally under-served by traditional public and not-for-profit schools has increased Keiser University, ("University") role as one of the premier educational institutions in the southeastern United States.

As part of our responsibility to ensure that students not only get a best-in-class education, the University implemented new programs such as Strategies for Success and contact via i-3 group. At the same time, the University implemented several changes to assist our students in the finance their education and to manage the consequent liabilities by implementing a program to not just avert delinquency or default on the student's Title IV and other educational loans including those financed by the University, but also to help them understand and handle them.

The program related to managing college financing and loans focused on one primary goal – **prevent delinquency rather than avert default.** The University believes that this Student Relationship Management (SRM) program implemented through internal and external resources represents the most unique program of its kind among for-profits and the University leadership is constantly promoting this approach based on just our initial results. Since implementation, the University has

- Made 269,000 telephone calls to contact its current and former students who graduated between 2008 and April 2010;
- Contacted and assisted over 7,400 students with their Title IV loans out of a total population of 16,000 students.

Currently the University reaches students through personal on-campus visits, print and electronic media, and telephone calls. This ensures full information and understanding to the students on handling their financial aid.

The SRM program includes the following:

1. Use of an third party supplemental service provider to contact and counsel all University students from the time they enroll in the University;
2. Increasing contact from grace period to avert delinquency instead of curing it through providing financial literacy information, counseling, and assistance;
3. Implementation of various tools such as Web Chat and Online Budgeting Tools and other print and electronic media to all students to assist them in understanding and handling their obligations.
4. Implementation of a student survey to understand their problems with understanding financial aid; researching better contact methods and media that the students relate;

5. Hiring a third party servicer to handle delinquent non-Title IV receivables and ensuring that students are encouraged to make reasonable and affordable repayment plans on these non-guaranteed obligations.

The various programs that were implemented some of which are still evolving based on student feedback provided the following results:

1. Keiser University's draft cohort default rate (Draft CDR) for the 2008 cohort is at 10.1 percent; a 16 percent improvement from the 2008 CDR of 12.0 percent;
2. Keiser University's 2009 two year CDR is anticipated to be less than 9 (nine) percent when it is published by the Department in October 2010, a full 25 percent less than the 2008 CDR;
3. The University was awarded the **2010 Excellence in Debt Management Award** by USA Funds for its on campus and post-graduation efforts at contacting and informing students to help them reduce delinquency and avert default.

### **SRM PROGRAM DETAILS**

The University decided to ensure that students are provided full access to not only the internal financial aid employees and student counselors, but also to have access to our supplemental third party servicer called The i3 Group. The plan was to provide a free service to students so that they can fully understand their rights and responsibilities. The students are actively contacted by the vendor who is fully trained in providing services in accordance with the University's policies, procedures and overall philosophies. The contact occurs at various stages, as outlined below:

**In-School Period** – The students are introduced to the free services provided through the University by the i3 Group. The student's current contact information is updated and the student is provided with contact information for a counselor at i3.

**Grace Period-** The primary purpose of these contacts is to introduce i3 to the student and inform them that our services are provided them by Keiser University if not previously contacted. The student undergoes an information session over the phone regarding repayment and the rights and responsibilities related to the Title IV loan and how repayment impacts creditworthiness and other aspects. Information includes use of NSLDS and various other financial tools available on line and via counselors at i3 is provided.

**Current in Repayment** - The primary purpose of these contacts is to introduce i3 to the student and inform them that our services are provided them by Keiser University if not previously contacted. An update of all contact information for the student is completed as well as providing the student with i3 contact information. Information includes use of NSLDS and various other financial tools available on line and via counselors at i3 is provided.

**Delinquent** – The primary purpose for these contacts is to communicate the loan status to the student. The student is provided information on rights and responsibilities; overview of servicer and guaranty agency roles and responsibilities; issues related to employment, an introduction to NSLDS and how the student can use it to track all their loans. Conference calls are made to the servicers to either reduce the delinquency with payments, or to find a temporary solution (deferment or forbearance) if the student is either unable to pay, or unable to pay the entire amount delinquent. Follow-up appointments are made to ensure that all payments and applicable paperwork is completed to bring the account current.

**Serious Delinquent** (240 days delinquent or greater) - The primary purpose for these contacts is to inform the student of the risk of default and the importance of immediate action. Payments may be required to qualify for temporary solutions to their delinquency. All options are discussed, as well as the ramifications based on their choice. A conference call is made to their loan servicer to determine final type of resolution.

**Default** – The primary purpose for these contacts is to inform the student of their current loan status. Furthermore, it is to educate the student of the actions that will possibly be taken against them based on the default. Counseling on the Loan Rehabilitation Program and reasonable and affordable payments is completed. The current guarantor is contacted to establish a repayment agreement to rehabilitate the loan. If the account is placed with a collection agency, a conference call with the collection agency is made with the i3 Counselor working with the student to establish a reasonable and affordable payment arrangement. Monthly follow-up appointments are made to confirm payment is made and that all contact information is current on file.

## **TOOLS**

All University students receive various types of mailers from i3 based on their loan status and whether there has been previous contact with the student. These mailers are used to generate a call to a student services specialist or to direct them to the i3 website for additional information. The mailers are designed to define the association between the University and i3, as well as to let the students know that i3 is not a collection agency, but a free service provided to find solutions to avoid delinquency and default.

The following are the mailers sent to students:

**Postcards-** The postcards sent to the student include both the i3 logo and the institutions logo for clear identification of the source. Nothing referencing student loans appears on the postcard. Contact information for the i3 group and its website are provided.

**Brochures-** The brochures sent to the students outline their rights and responsibilities, as well as the consequences of default. The brochures include the logos of i3 and the institution to clearly identify the relationship and source of the mailer. Contact information for i3 and its website are provided.

**Delinquency letters** – Students not current on their loans receive a letter outlining their current status and the approximate days delinquent. Also provided are the guarantors of their loans. Including is a definition of the relationship between i3 and Keiser and the contact information for i3 and its website.

**Loan Rehabilitation letter** – This letter is sent via Federal Express or through mail to students who have defaulted on their loans to inform them of their loan status. Additionally, the letter reassures them that there are still solutions available to them to resolve their debt. The relationship between Keiser and i3 is defined and contact information provided.

### **WEB BASED TOOLS**

The i3 website is another tool to provide information to students. Included on the website are key links for student loan borrowers such as:

- NSLDS, ED.gov
- Financial planning tools and budgeting calculators;
- Deferment forms for various servicers including Direct Loans;
- Employment search and staffing companies in the entire Southeastern United States;
- Telephone numbers to servicers and guaranty agencies;
- Web-chat sessions that the student can use without having to speak with anyone in