

A large, semi-transparent logo for the TASFAA Ninja Warrior 2024 event is centered in the background. The logo is a shield-shaped emblem with a double border. At the top, it says '★ TASFAA ★'. In the middle, 'NINJA WARRIOR' is written in large, bold, block letters. At the bottom, it says '★ 2024 ★'. A small 'TM' trademark symbol is visible at the bottom right of the shield. A solid red vertical bar is located in the top right corner of the slide.

# Federal Student Loan Program

## What's In Store for 2024?

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# What's In Store for 2024

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- ▶ Return to Repayment
- ▶ New Repayment Plans
- ▶ Federal "On Ramp"
- ▶ Delinquency and Default
- ▶ Take Action



# Changes in Servicers

## Since 2020

- ▶ Servicers have consolidated brands, transferred loans to a new entity or exited the program
- ▶ Over 16M borrowers have seen their servicer change
- ▶ Three of the remaining four servicers are also BPOs\*

## Federal Loan Servicers

### 2020

Granite State  
FedLoan Servicing (PSLF)  
Navient  
Nelnet  
Great Lakes  
OSLA  
MOHELA  
Edfinancial

### 2023/24 (As of 03/01/23)

AidVantage\*  
Nelnet (w/Great Lakes)  
MOHELA (PSLF)\*  
Edfinancial\*  
Central Research (2024)

# Factors Impacting R2R

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## ▶ **Customer Service Capacity**

- ▶ Intense activity over an abbreviated period
- ▶ More borrowers with more questions
- ▶ Fewer loan servicers

## ▶ **NSLDS Database and Reporting**

- ▶ Enrollment updates
- ▶ Other related issues

## ▶ **12 Month On Ramp/Sept 1, 2023**

- ▶ NSLDS shows early-stage delinquency
- ▶ Borrower placed in Forb at 90 days
- ▶ Delinquencies not reporting to credit agencies

## ▶ **Student Perceptions**

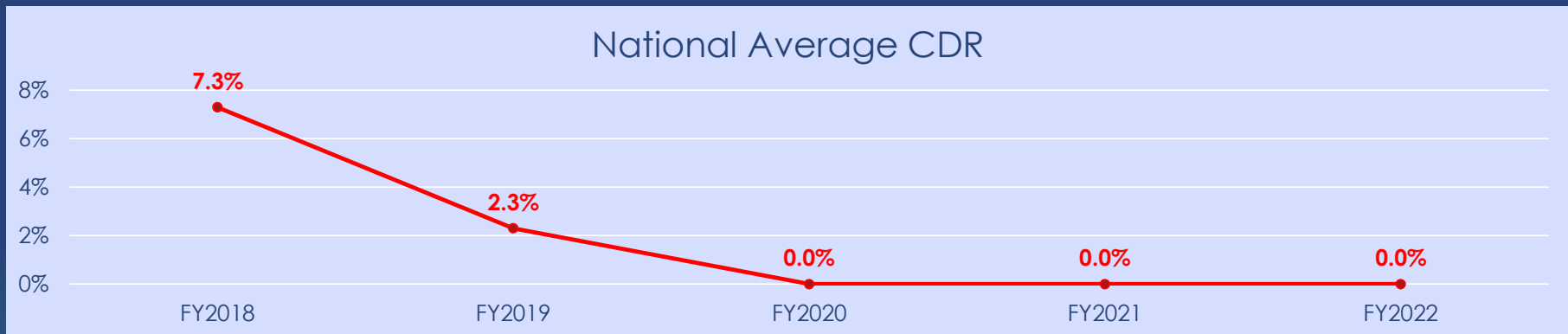
- ▶ Impact of forgiveness or lack thereof
- ▶ Expectation of future forgiveness
- ▶ What are your students saying?

## ▶ **Federal Budget**

- ▶ FSA was flat funded
- ▶ Limited capacity to fund extra support initiatives
- ▶ Servicers capabilities not the same as “pre-Covid”

# Cohort Default Rates

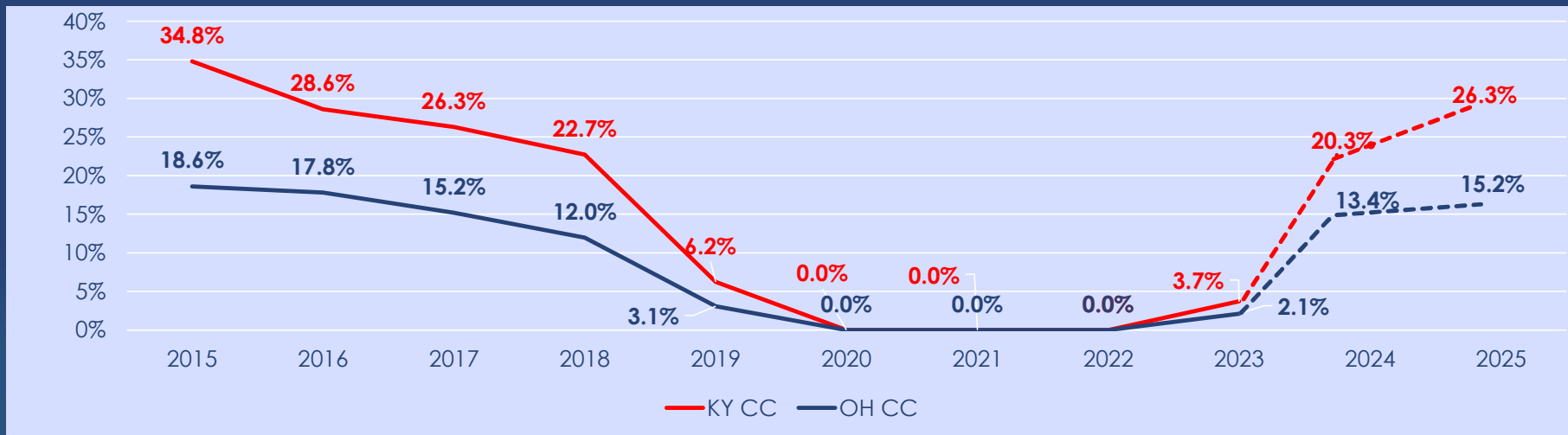
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- ▶ Students have forgotten how to repay
- ▶ Institutional budgets may have been redirected
- ▶ Risk level is unknown but not absent

# What's Past is Prologue

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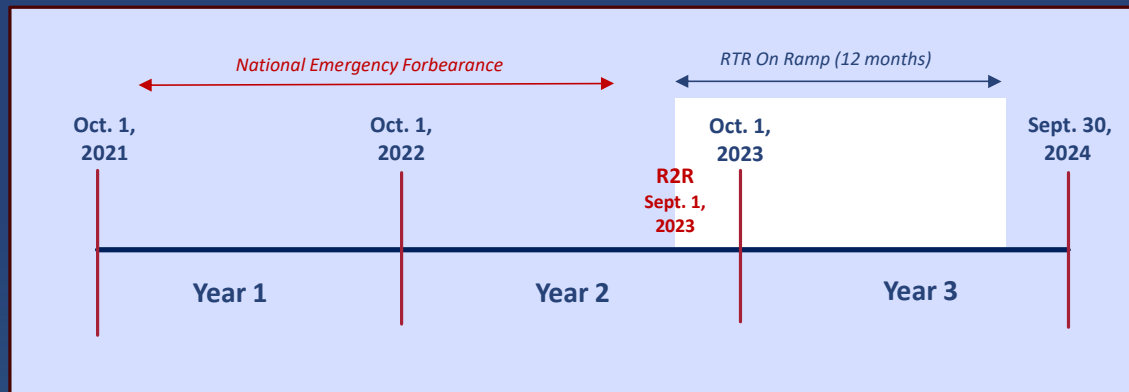


## The last “normal” cohort was FY 2017

- ▶ FY 2020, FY 2021 and FY 2022 will all report at or near 0% CDR's
- ▶ FY 2023, FY 2024 will see increasing defaults
- ▶ FY 2025 will be the first cohort that will be unaffected by the national forbearance and the RTR on ramp

# Cohort Cycle for FY 2022

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## Impact to School

- ▶ National Forbearance for 23 months of FY 2022 Cohort Calculation period
- ▶ Return to Repayment Sept 1, 2023
- ▶ The 12 month "on ramp" period means that no students can become more than 90 days delinquent– no defaults
- ▶ FY 2022 cohort closes on Sept 30, 2024

# Cohort Cycle for FY 2023

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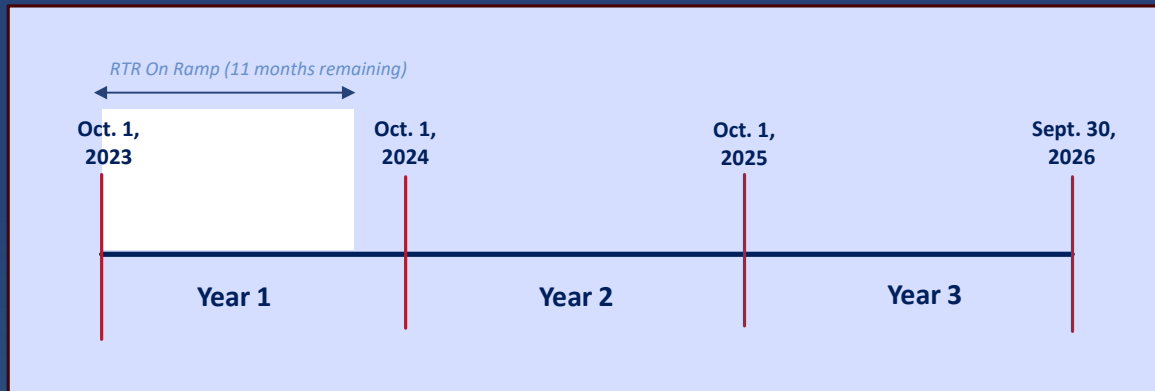
## Impact to School

- ▶ 13 months remain in the cohort calculation after end of “on ramp”
- ▶ Federal student loans default at 360 days delinquent
- ▶ Expect FY 2023 to have some defaults
- ▶ Recommend closely monitoring delinquency trends beginning Oct 1, 2024



# Cohort Cycle for FY 2024

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## Impact to School

- ▶ FY 2024 will have an increasing number of defaults
- ▶ 25 months remaining in the cohort calculation
- ▶ Recommendation
  - ▶ Closely monitor delinquency trends beginning Oct 1, 2024
  - ▶ Consider implementation of Grace Counseling
  - ▶ Consider implementation of Delinquency outreach beginning Oct/Nov 2024

# The Second Coming of R2R

- ▶ Borrowers are utilizing the on-ramp vs. choosing to make payments.
- ▶ Roughly 40% of the FY 2023 cohort in “delinquency” status.
- ▶ Especially impactful for FY 2024 cohort as many of these borrowers are still a “grace” status.
- ▶ Reminder, FY 2025 will be the first cohort since FY 2017 that will not be impacted by the National Forbearance.

Date	Cohort	Borrowers in Repayment	Delinquency Rate
January 2020	FY 2019	670	24.18
January 2024	FY 2024	472	34.32

# Get Ahead of the Curve

- ▶ Closely monitor **FY 2023**
- ▶ Focus intervention on **FY 2024 and 2025** cohorts
- ▶ CDRs and other accountability metrics are a lagging indicators
- ▶ Monitor delinquency trends

Cohorts	Begin Monitoring	Monitoring Ends	Draft Rates Released to Colleges	Official Rates Published
2020	Oct. 1, 2019	Sept. 30, 2022	Feb. 2023	<b>Sept. 2023</b>
2021	Oct. 1, 2020	Sept. 30, 2023	Feb. 2024	<b>Sept. 2024</b>
2022	Oct. 1, 2021	Sept. 30, 2024	Feb. 2025	<b>Sept. 2025</b>
2023	Oct. 1, 2022	Sept. 30, 2025	Feb. 2026	<b>Sept. 2026</b>
2024	Oct. 1, 2023	Sept. 30, 2026	Feb. 2027	<b>Sept. 2027</b>
2025	Oct. 1, 2024	Sept. 30, 2027	Feb. 2028	<b>Sept. 2028</b>

# What Can you Do?

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- ▶ Need to create or dust off default prevention plans
- ▶ Utilize [FSA Tool Kit](#)
  - ▶ Need to make R2R “top of the mind” with borrowers
    - ▶ Social media, flyers, student union messaging, student portal reminders, etc.
- ▶ Use NASFAA Task Force Report as Guide
  - ▶ Servicers may not provide “enhanced outreach”
    - ▶ Work with various offices on campus (admissions, alumni office, work study, student services, etc.) to help with communication to borrowers
- ▶ Collaboration with specialty partners

The image shows two overlapping digital assets. The top asset is a screenshot of the Federal Student Aid website, titled "Get Student Loan Help Now". It features several key messages and links:

- Update your contact information** with your loan servicer(s) and on [StudentAid.gov](#) and make sure you have an online account set up on each website. Find your servicer(s) by visiting your Dashboard on StudentAid.gov.
- Explore affordable repayment plans** for payments as low as \$0 and a path to forgiveness. Check out details of the new, most affordable repayment plan ever created, called the Saving on a Valuable Education (SAVE) Plan, at [StudentAid.gov/save](#). Compare repayment plans with our Loan Simulator at [StudentAid.gov/loan-simulator](#).
- Enroll (or reenroll) in auto pay** on your loan servicer's website, which will ensure your payment is automatically processed every month so you don't miss a payment. Auto pay is optional, but if you choose auto pay, you'll save on your interest rate.
- Check if you qualify for a type of targeted loan forgiveness** at [StudentAid.gov/forgiveness](#). We've approved more than 3.4 million for forgiveness in the last two years due to public service employment or wrongdoing by a college, among other reasons.

Additional text on the website includes: "Visit [StudentAid.gov/restart](#) for more information about restarting federal payments." and "Federal student loan borrowers never have to pay for help. Learn how to avoid loan scams at [StudentAid.gov/scams](#)." Social media icons for Facebook, Twitter, and YouTube are visible, along with the text "Federal Student Aid | StudentAid.gov" and "Last updated: 7/25/23".

The bottom asset is a social media post from "Federal Student Aid" (3 days old). The post text reads: "The benefits of auto pay make it a no-brainer! Sign up on your loan servicer's site, and you can:"

- Save 0.25% on your interest rate.
- Get a reminder ahead of each withdrawal.
- Relax knowing your bill will be paid each month.

It concludes with: "Log in to find your loan servicer: <https://studentaid.gov/fsa-id/sign-in/landing>". The post features an illustration of a woman sitting in a chair, working on a laptop, with a speech bubble containing the text "Auto pay helps you save time, money, and stress."

# Sample Video – FSA Took Kit

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**Loan Simulator** can help you find a student loan repayment plan that meets your needs and goals.



# What can you Do? (continued)

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- ▶ Keep administration informed and ahead of program changes
  - ▶ Financial Value Transparency (FVT) for all students and families
    - ▶ Detailed information about out-of-pocket expenses for programs and possible debt
    - ▶ Earning potential upon graduation
    - ▶ Enhanced transparency for programs through new reporting requirements for institutions related to costs (tuition, fees, books, and supplies), non-federal grant aid, and typical borrowing amounts (for both private and federal loans)

# Thank you!

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