



## **Default Management Plan**

### **1. Overview**

This document contains information regarding steps taken by the University of Manchester to assist students in understanding the responsibilities of borrowing US Federal Aid, namely William D. Ford Federal Direct Loans, to fund their education and to reduce the number of students who default on their loan repayments.

### **2. Entrance Counselling**

All students who access US Federal Aid either as a new student or continuing are required to complete entrance counselling prior to each new academic year. Students are notified to complete Direct Loan Entrance Counselling electronically by visiting <https://studentaid.gov/app/counselingInstructions.action>.

During entrance counselling, students are advised on:

- how the Master Promissory Note (MPN) works,
- terms of their loan, including financial responsibility to them,
- the importance of repayment,
- the consequences of defaulting on the loan,
- and sample monthly repayment amounts.

Prior to the disbursement of any Direct Loans checks are made via the Common Origination and Disbursement (COD) system to confirm that a student has completed entrance counselling.

### **3. Financial Literacy for Borrowers**

The University of Manchester recommends that students only borrow what they need; it is not a requirement to borrow the maximum available loans. Students are also advised to familiar themselves with the Federal Student Aid [Financial Awareness Counselling](#). In turn, all students should make themselves aware of the repayment obligations of the loans they intend to borrow prior to confirming which loans they wish to borrow each academic year.

These recommendations are included in Financial Aid communications sent to the student from the University's Funding Team. Students will be asked to respond to these communications in writing confirming the borrowing amount and that they are aware of the future financial obligations of the borrowing. Any applications for US Federal Aid will not be taken further without this written confirmation.

#### **4. Early Identification and Counselling for Students at Risk of Withdrawal**

Information on responsibilities placed on the student to maintain a satisfactory academic level, and the University's responsibilities to report this, can be found within the [Satisfactory Academic Progress \(SAP\) Policy](#).

The University of Manchester has a responsibility to identify and report students who have withdrawn from their studies, including those taking a temporary leave of absence, within 45 days of the date the student is determined to have withdrawn. Further information on how the withdrawal date is calculated and how a withdrawal can affect Federal Aid eligibility can be found within the University's [Return to Title IV \(R2T4\) Policy](#).

Students considering withdrawing or taking a break from their studies are recommended to follow the [guidelines](#) listed on the University of Manchester website, including discussing their personal circumstances with their supervisor and/or a member of their School Support Office.

Any changes may affect a student's Tier 4 visa status. If applicable, it is strongly recommended that students seek immigration advice before making their final decision.

Once a withdrawal has been processed, the University will provide the student with information on their Federal Aid, including any refunds if applicable, as per the [Return to Title IV \(R2T4\) Policy](#). The student will also be reminded to complete their Exit Counselling.

#### **5. Communication**

The University of Manchester's [Consumer Disclosure Information](#) is available via its website for all students to access prior to applying for US Direct Loans. All students in receipt of Title IV Direct Loans are sent a notice to access this information within their financial aid notification.

Academic progress and enrolment status is held on the University's central student records system, Campus Solutions. Students are required to obtain and provide confirmation of their satisfactory academic progress prior to each loan disbursement.

Up to date contact information for both the student and their next of kin is obtained from the student at enrolment and held on their central student record. This information is requested annually at the beginning of each academic year.

The university has effective procedures in place to ensure accurate and timely communications across the relevant departments, thereby ensuring the relevant aid is disbursed on time and to the correct students and in compliance with Direct Loan regulations. Academic Schools are reminded of their responsibility for timely and accurate notification of changes to the student's enrollment, such as an unapproved withdrawal, and/or satisfactory academic progress each academic year.

#### **6. Exit Counselling**

As an obligation of borrowing US Federal Aid, students are reminded to complete Exit Counselling following graduation or withdrawal from their studies at the University of Manchester. Students who fall below half-time enrolment are also required to complete Exit Counselling.

Students are notified to complete Exit Counselling electronically by visiting <https://studentaid.gov/app/counselingInstructions.action>.

## **7. Timely and Accurate Enrolment Reporting**

The University of Manchester will ensure that accurate information on enrolments, including updates to individual student records, is reported in a timely manner via NSLDS at two-monthly intervals.

## **8. Analyse Defaulted Loan Data**

The University of Manchester receives regular reports on defaulted loan data available from NSLDS and this information will be analysed to improve default prevention and enhance best management practice, and will be used to pinpoint common trends amongst defaulters.

Any students identified to be defaulting on their loans will be directed to their individual loan provider in the first instance to discuss repayment options.

## **9. Contact**

For enquiries about this document or US Federal Aid, please contact:

Student Funding Team  
University of Manchester  
funding@manchester.ac.uk  
(Office Hours: Monday to Friday, 9am - 5pm)