

US Direct Loans Default Prevention and Management Plan University of Toronto

As a Title IV educational institution, the University of Toronto administers the William D. Ford Federal Direct Loan Program for its US students at its three campuses – Mississauga, Scarborough and St. George.

Activities related to the administration of the Direct Loan Program are centralized at Enrolment Services on the St. George campus, and are carried out by the USA financial aid team. The team focuses on supporting US students in undergraduate, graduate and professional programs in the entire process of applying for, and maintaining, their US Direct Loans for each year of their studies at the University of Toronto.

The following strategies form the University of Toronto's US Direct Loans Default Prevention and Management Plan. These strategies ensure that students and their parents, and University faculties and departments, are fully informed about and supported through the US Direct Loans process. Supporting students in the US Direct Loans process ensures that they maintain their eligibility for US Direct Loans while they are registered at the University.

Website

A detailed website about US Direct Loans is available at <http://future.utoronto.ca/finances/financial-aid/other-loans-and-student-lines-credit#us>. Students who contact the University via phone or email are directed to this website so that they can review the application steps as well as the policies and procedures related to US Direct Loans.

The website also contains information about

- Borrower's Responsibilities and Obligations
- Satisfactory Academic Progress
- Return of Loan Funds due to Withdrawal or Course Reduction

Application Support

A senior member of the USA financial aid team is designated to US loans processing (including Alternative/Private Loans). This individual is available to respond to student/parent inquiries via phone, email or in-person at all stages of the US Direct Loans process.

Note that the *Canadian Freedom of Information & Privacy Act* regulates the information that can be shared with parents of students, or any other third-party. In cases when a parent makes inquiries on

behalf of their dependants, they are provided general information only, with no information specific to their dependants' application or registration files.

Entrance Counselling

All Direct Loan borrowers are required by the US federal government to complete entrance counselling via the www.studentloans.gov website. Students are required to complete entrance counselling as part of the very first Direct Loan application they submit at the University of Toronto.

The entrance counselling process allows students to learn and understand:

- How loans work
- How to manage their spending while in school
- How much they will need to repay, and when
- How to avoid loan defaults

The date when the student completed entrance counselling is noted in the student file.

Satisfactory Academic Progress

On a yearly basis, the University confirms that students with current US Direct Loans meet Satisfactory Academic Progress requirements. The [requirements and process](#) are detailed on the US Loans page of the University of Toronto website, and are also noted to the students in their notices of disbursement.

Should students not meet Satisfactory Academic Progress requirements, the appeals process requires students to get in touch with their registrar's office for assistance in crafting and implementing a sound academic plan to get back into status. This ensures that other University of Toronto offices are involved in the process of restoring the student to satisfactory academic progress.

Timely and Accurate Enrolment Reporting

As required by the US federal government, the University submits enrolment updates every 60 days to the National Student Loan Data Centre (NSLDC) for all students with current and previous US Direct Loans. Based on this reporting, the University is able to determine which students are no longer in full-time studies, so that they can be contacted for exit counselling.

Exit Counselling

Students who are no longer in full-time studies (drop to less than half-time studies, withdraw or graduate from their program) are required to undergo exit counselling. The University communicates with students regarding this requirement, including follow-up email messages and letters as necessary.

Students are asked to complete and submit a verification form to the University to confirm that they have undergone the exit counselling process. This submitted form is retained in the student file.