The Indiana University Annual Loan Debt Notification

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Annual Loan Debt Notification Population Selection and Extract Report – Process Overview

IU created a report designed to facilitate production of a notification of student loan indebtedness to enrolled students who are currently borrowing. The notification is intended to increase students' awareness of their debt and promote responsible financial decision-making for the remainder of their time at IU. The primary report output is an excel file with data to be merged into a letter or an email. A second output type is generated for recordkeeping.

Selecting the Population

Identifying who should receive a notification is an important first step. The group chosen may dictate the language and tone of your letter, and it may make a difference in student response to the communication. It is important to understand how each option operates, so they are described in detail, below. You may choose to identify multiple target groups which are not mutually exclusive (i.e. standard, required annual notice plus targeted outreach to high-debt students). Good recordkeeping to identify who got which messages will be useful for making sure every required student gets some notification, and will help staff fielding inquiries see which target group(s) a student was in, and what key data was contained in their individual communication.

Report Type:
Options 1 through 3 select only students who had a loan of some type disbursed during the term specified in the report run parameters, and who are not scheduled to graduate at the end of that term. The base population is 'current borrowers' who are expected to return and continue borrowing. Borrowers scheduled to graduate cannot reduce future borrowing as a result of this message, and they will be counseled about debt and repayment options through the exit counseling process.

- Report #1 returns all students with the profile described above.
- Report #2 limits that population to those with total borrowing greater than or equal to an amount the user specifies as "Minimum Total Loan Amount."
- Report #3 attempts to identify 'high debt' among the base population by looking at undergraduate borrowers and the percentage of the total subsidized and unsubsidized Stafford Loan limit borrowed with respect to class level. Students are selected if NSLDS Loan Year is 0 or 1 and the student has borrowed more than 25% of their total undergraduate limit; or more than 50% at NSLDS Loan Year 2; or more than 75% at NSLDS Loan Year 3.

- Report #4 allows you to get extract data by University ID and is not limited to 'current borrowers.' Use this to generate a statement for individual counseling, for your limited Pell LEU population or for any other group or individual as needed. This report will ignore the term and instead find the most recent active term at the institution for the student.
- Report #5 limits the output to incoming undergraduate transfer students with a specified admit term. This is recommended as a fall counseling tool to encourage students to map our remaining loan and Pell eligibility in parallel with outstanding degree requirements.

Output Type:
Two output options exist for each run:
- The first selects the population and extracts the actual data for a merge (described in more detail later in this document)
- The second is used to identify the same population and create a batch file to post an indicator in the student information system (or CRM, etc) as to when the notification was sent, which type of communication it was, and what key data elements were extracted for the merge.

Campus Discretion
While central support is provided, each campus is responsible for generating notifications for their students in a manner consistent with what is required by law. Schools within a campus may create special letters tailored to their population, such as the Medical School.

The campuses are encouraged to change the letter templates as needed to bring attention to any financial and academic planning or counseling resources available to their students, or to community resources where appropriate.

Derivation of Loan Data
Our loan data is incomplete and imperfect for a wide variety of reasons. Take time to familiarize yourself with all of the disclaimers in the sample letter templates.

Perkins and DL Sub/Unsub
Stafford and Perkins loan information is our most complete and accurate, but it is important to understand what we go through to arrive at the numbers contained in report output. The SIS has been modified to populate aggregate records with what has been found to be the most accurate information instead of relying on straight records from the NSLDS. NSLDS records are not updated when we begin disbursing new loans unless an ISIR correction comes or a transfer alert is requested.

We take the most recent NSLDS data then subtract loans made at IU. This creates an aggregate adjustment factor that accounts for only loans made outside of IU. The adjustment amount is loaded to the aggregate data in the SIS where information about all Perkins and Stafford loans offered on any IU campus is stored. This is why it is not accurate to say that the loan data is complete as of the NSLDS 'last update' date. The adjustment amount, however, is reevaluated each time NSLDS data does load and alert files are requested when students are not continuously enrolled, signaling the possibility that they borrower elsewhere.

The Aggregate functionality in the SIS records a loan as soon as it is offered. To better refine the values provided for Perkins and Stafford, undisbursed IU loans are subtracted from the total using disbursement data to capture gross amount, vs amounts net of fees.

IU Private Loan Total

There is no aggregate area or NSLDS data for private loans. As a result, we can only capture the loans disbursed at IU since the migration to PeopleSoft for the 2004-05 aid year. Amounts represent straight disbursements out of Student Awards where type = loan and source = private. Totals may not capture fees.

IU Other Loans
This includes institutional loans, Title VII and VIII health profession loans and Grad PLUS but only those disbursed at IU since conversion to the SIS in 2004-05. Grad PLUS Loan data appears on transfer alert files but not on the NSLDS record that accompanies an ISIR, and there is no aggregate area set up for Grad PLUS since there is currently no annual or lifetime limit. Title VII and VIII loans are also excluded from NSLDS data.

All Loans
This is the sum of all loans in the four categories described above.

Excel Output for Merged Letter

ID
Institution
Career
Run Date – System date that appears in the header, added to merge into letter
First Name
Mid Name
Last Name
Email
Addr Ln1 – Address line 1 (most addresses will have only 1 and 2, these fields pull an address based on user preference)
Addr Ln2
Addr Ln3
Addr Ln4
City
State
Zip
Term Description – Versus term code, to spell out the term name, like 'Spring 2018' in your letter
All Loans
DL Sub/Unsub Tot
Aggr Comb Limit – Borrowing limit for sub/unsub based on career and dependency status.

> **Two Warnings:**
> 1 – if a dependent student is allowed extra unsub due to PLUS denial, the dependent limit will still be shown so that it is more clear that the student is borrowing more than expected for a dependent undergrad.
> 2 - All OPT, DENT and MED are assumed to be eligible for the higher HEAL aggregate limits, as we are unsure of the precise coding to discern those who are not. If OPT, DENT and MED are interested and can supply specs, we will enhance this data.

Perkins Total
IU Private Loan Total
IU Other Loans
Interest Rate – From user-specified parm, to calculate payments and total interest over 10-year repayment
Monthly Payment – Calculated like any loan using rate provided, loan total selected and a 10-year term (hard-coded). This calculation does not impose a minimum monthly payment.
Cumulative Payments – Monthly payment X 120 payments

Interest Paid – Cumulative payments minus loan total used in the calculation = projected interest paid

% DL Limit Borrowed – 'DL Sub/Unsub Tot' divided by 'Aggr Comb Limit'. This percentage is used to identify the population for report type #3.

Borrowing Limits:

> 31000: undergraduate, dependent
> 57500: undergraduate, independent
> 138500: graduate, not medical
> 224000: MED, DENT, OPT

NSLDS Loan Yr – Academic Level

Anticipated Grad Term – Although this is imperfect, this is the field the test uses to drop students scheduled to graduate at the end of the user-specified term.

Primary Academic Plan CIP Code – Some want to refer students to the Bureau of Labor Statistics for employment and earnings outlook data for the associated career.

Primary Academic Plan CIP Description

Sub Total – The "sub" portion broken out from the DL Sub/Unsub Tot above.

Unsub Total - The "unsub" portion broken out from the DL Sub/Unsub Tot above. Could be used to trigger an alert for capitalized interest upon entering repayment.

Pell LEU% - Only shown for undergraduate students.

Admit Type – Only transfer students returned for Report #6.

Admit Term – The term the student's IU enrollment began.

The following 3 columns, which are a breakdown of the "IU Other Loans" total above, are ONLY extracted for specific populations.

GradPlus Total

HPSL/TitleVII & VIII Total – This includes all HPSL, Title VII and Title VIII loans.

Other Total – This includes whatever is left after the previous 2 totals are subtracted from the "IU Other Loans" total above (institutional loans).

Recordkeeping

It is important to create a batch file to load details to each student's record. IU saves an indicator we can report against and a custom comment to each record with the following data elements from the extract to aid staff in assisting students with questions, and for audit purposes.

> Run date
> Academic Term
> Report Type (#1 to 5)
> All Loans (total)
> DL Sub/Unsub Total
> Perkins Total
> IU Private Loan Total
> IU Other Loans
> Interest rate used
> NSLDS Last Update Date
> NSLDS Loan Year
> Monthly Payment