



## USA Funds Borrower Connect Simplifies Default Prevention

Pete McEwen, left, and Mike Holtman of ITT Tech oversee efforts to prevent the school's borrowers from defaulting.

### **ITT Educational Services Inc. is taking default prevention into its own hands, with the help of USA Funds Borrower Connect.**

In an effort to promote successful student loan repayment and lower its loan default rate, ITT Educational Services — the parent company of all ITT Technical Institutes — has established its own student-borrower services division. The group is dedicated to reaching out to former students who are having difficulty repaying their education loans. By the end of 2012, the private career school hopes to have as many as 30 employees making calls to assist its borrowers.

Helping the school in that endeavor is USA Funds Borrower Connect™, a tool that ITT Tech began piloting in the fall of 2011. Based online, USA Funds Borrower Connect helps schools improve their cohort default rates by helping them connect to borrowers through telephone, letter and email campaigns. The tool uses loan information uploaded from various loan servicers, guarantors and the National Student Loan Data System to help schools perform borrower outreach.

ITT Tech has approximately 150 campuses across the nation. Since 2008, the school has worked to bolster its default prevention efforts by streamlining its debt management services nationwide and conducting more of that work in-house.

The school closely monitors trends in the repayment status of its borrowers — 130,000 of them at any given time. ITT Tech had been searching for a service that would help track loan statuses and delinquency and default rates, and also provide data to assist with campaigns to communicate with borrowers.

After considering the idea of building such a product in-house, ITT Tech learned of an opportunity to test a new borrower communication tool that USA Funds was developing and signed on to help pilot USA Funds Borrower Connect.

First and foremost, the school wanted a data aggregator. USA Funds Borrower Connect had the data the school needed for its student-borrower services staff to have informed conversations with borrowers.

Although the student-borrower services employees already had been contacting borrowers to discuss options for resolving their education loan delinquencies or defaults, they had to draw from a variety of sources to find the borrower data they needed to conduct those campaigns. USA Funds Borrower Connect allows the staff to use information from one source.

"We always were pulling data from so many systems," says Mike Holtman, who joined ITT Tech as its default prevention director about two years ago. "USA Funds Borrower Connect is the solution to that problem."

The majority of the approximately 65,000 students who attend ITT Tech receive financial aid. The school offers associate and bachelor's degree programs.

The institution's large volume of borrowers is one reason ITT Tech was an ideal school to include among those piloting USA Funds Borrower Connect, says Kim Shiflette, a USA Funds product manager. Additionally, the school's frequent analysis of repayment data made ITT Tech a perfect candidate to help in determining whether the information the tool provides is on the mark. So far, ITT Tech representatives say, USA Funds Borrower Connect is hitting that mark.

"The name 'Borrower Connect' is right," Holtman says. "It's helping us to reach out to delinquent borrowers — and contacting borrowers is how you help them get back on track."

ITT Tech is adding email campaigns to its default prevention efforts, and USA Funds Borrower Connect is assisting in that effort as well. Pete McEwen, supervisor in ITT Tech's student-borrower services, says the school hopes its role in piloting USA Funds Borrower Connect is beneficial not only for itself but for USA Funds and future users of the tool as well. ITT Tech staff suggest enhancements to USA Funds Borrower Connect as they work with it.

"Our goal," says McEwen, "is to help USA Funds Borrower Connect as much as USA Funds Borrower Connect is helping us."

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