

SUMMARY OF BORROWER INTAKE FORM DATA COLLECTED for the STUDENT LOAN BORROWER COUNSELING PROGRAM

Prepared by the



*For the
Center for Excellence in Financial Counseling
LEADERSHIP COUNCIL SEMI-ANNUAL MEETING
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RECAP OF 2013 ACHIEVEMENTS

During 2013, CEFC had the following achievements:

- Implemented a unique model of service to student loan borrowers that coupled counseling -- focused on viable student loan repayment plans, particularly those offered by the federal government -- with legal services.
 - Provided services to a total of 626 clients. These services offered guidance to student loan borrowers with federal loans totaling \$23 million and \$9 million in private loans. Among the 533 borrowers for which data were compiled, 75 had 2 or more sessions with the counselor.
 - Recruited and introduced financial counseling agencies in Philadelphia; Roxbury, Massachusetts; and Duluth, Minnesota to CEFC's unique model for assisting student loan borrowers.
 - Monitored completion of Borrower Intake Forms from the 3 counseling agencies, including use of checklists developed from National Consumer Law Center materials, with the result that data were accumulated on:
 - 1,433 federal student loans
 - 445 private student loans
 - Student loan repayment situations for 533 borrowers (i.e., reasons for getting counseling, independent efforts to resolve repayment problems, goals regarding their loans, etc.)
 - Cancellation alternatives for 499 borrowers
 - Repayment options for 197 borrowers actually in default or concerned about defaultingGuidance provided by counselors exceeds the numbers shown above, since not all clients served are reflected in the BIF database.
 - Coordinated training for counselors in student loan products, repayment plans and policies and procedures, as well as communication techniques that would encourage borrowers to speak freely and motivate them to take action on their loan situation.
 - Put into place data collection systems for both borrower intake at counseling, borrower reaction to the counseling sessions and borrower assessment of the counseling experience. The data compiled included:
 - Data obtained from intake during initial counseling sessions yielded information on a total of 533 borrowers.
 - Based counselor performance review on how well the Borrower Intake Form was completed.
 - A total of 564 Session Rating Scale forms were completed and provided to CEFC for analysis.
 - Borrower Survey Questionnaires submitted by 110 clients.
 - Obtained evaluation reports that incorporated data collected from the Borrower Survey Questionnaires and summarized early results of CEFC's work.
 - CEFC initiated discussions with a developer regarding how to automate its information system to more easily supply data for evaluation.
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INTRODUCTION

This report presents the results of data analyses of demographic and performance indicators adopted by the Center for Excellence in Financial Counseling (CEFC) during its first year of service. These data were collected from borrowers during client intake with agency counselors from March 1 through December 31, 2013. CEFC's primary data collection instrument is referred to as the Borrower Intake Form.

To CEFC's credit, leadership and staff have given significant attention to determining performance measures, with a recognition of the value of data to evaluation and other mechanisms for documenting program success. Information quality has received ongoing consideration, as has program fidelity – a necessary component of multi-site initiatives. The challenges of coordinating implementation, along with data collection, at multiple sites have been evident, however. Not surprisingly, there has been an influence on record-keeping.

CEFC was fortunate to have someone in one of the counseling agencies who could develop a user interface suitable for data entry. Also available was a set of preliminary indicators developed by the National Consumer Law Center. While this gave CEFC an auspicious beginning, two issues emerged that carried forward into 2014.

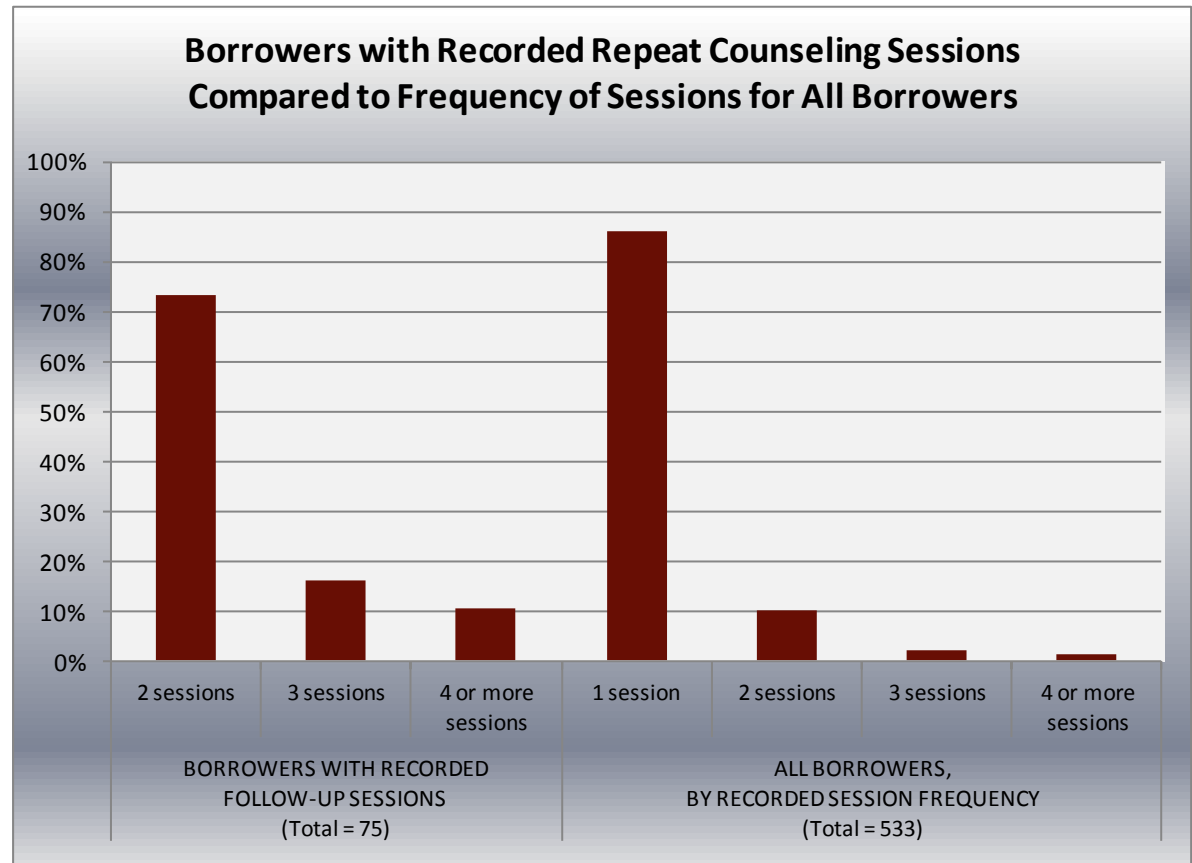
- **INTEGRATION OF CEFC'S DATA NEEDS INTO EXISTING SYSTEMS:** The agencies that CEFC chose to work with are all well-established organizations. Larger, more established agencies – such as Clarifi and Lutheran Social Services Financial Counseling – have their own management information systems. Systems already in use may lack flexibility to incorporate new indicators without a developer's assistance, or the additional data collection may increase workload for staff. What CEFC found in the first year of service is that the agencies it recruited exercised their own discretion in how they completed the Borrower Intake Form, in order to accommodate existing systems within their organization. As a result, some of the data files submitted were incomplete or simply couldn't be used. For example, while CEFC agencies served a total of 626 borrowers in 2013, data records are available for a smaller sample of 533.
 - **DATA FORMAT:** The data submitted by counseling agencies outside the Borrower Intake Form tended to be in a format (pdf or Word files) less suitable for statistical analysis. As discussed at previous Leadership Council meetings, the Borrower Intake Form itself was just that: a form. The lack of data tables for data storage impeded in-depth analysis. Although the information system is still under development, this major impediment to use of the Borrower Intake Form data was successfully resolved so that 2013 and 2014 records are now much more accessible.
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SERVICE DELIVERY PROCESSES: REPEATED SESSIONS

Borrowers are encouraged to schedule additional appointments with their counselors.

A review of counseling agency data records indicates that 75 (14 percent) of the 533 borrowers for which Borrower Intake Form data are available obtained further counseling through additional sessions. As the chart shows, the majority of these clients attended 2 sessions, although some borrowers remained involved with the counselor over 3 or 4 sessions. In a few cases, counselors had as many as 5 or 6 contacts with borrowers.

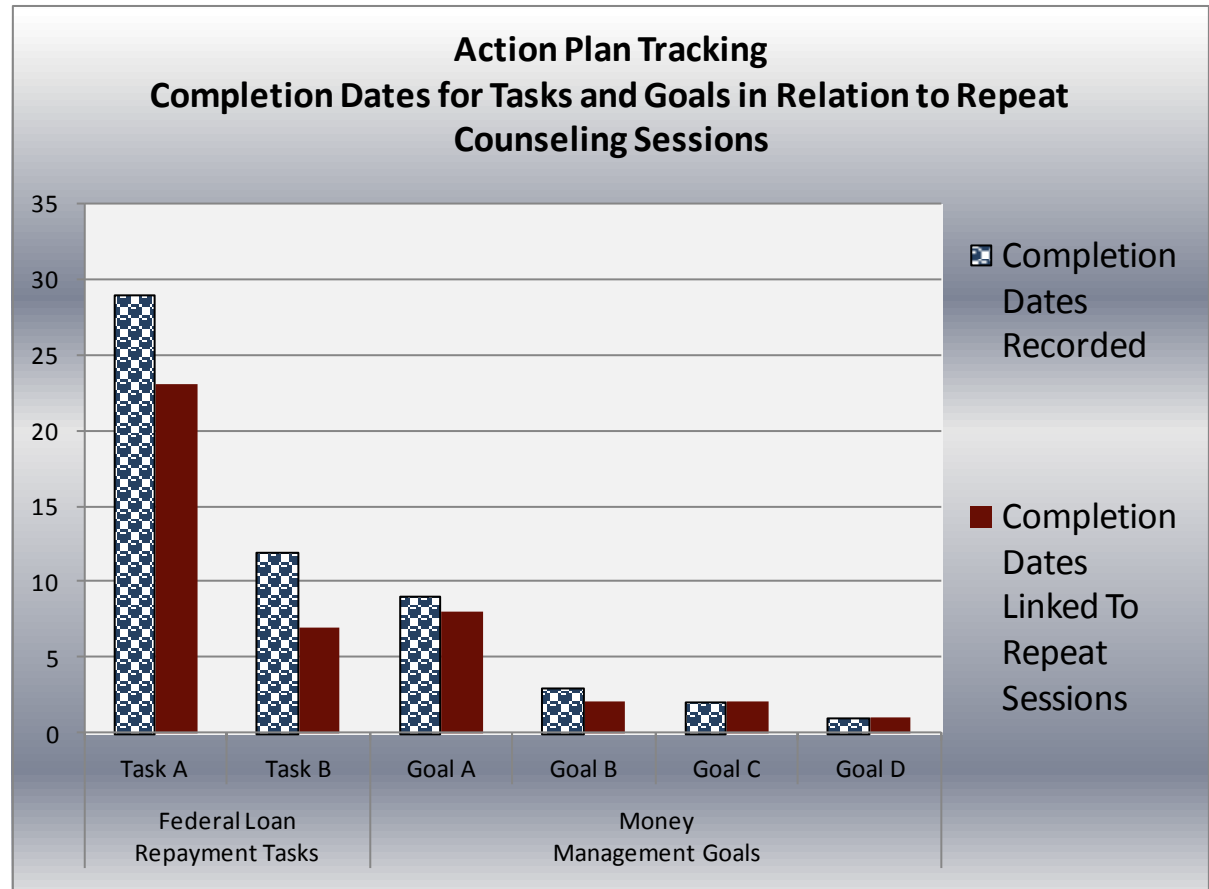
One important aspect of subsequent counseling sessions is the opportunity it gives the counselor to learn how the borrower has followed up on action plan tasks and adjust their recommendations, based on improvements in the borrower's situation.



SERVICE DELIVERY PROCESSES: ACTION PLANS

Despite the challenges of tracking goal and task completion, this approach can reduce what may seem like an insurmountable obstacle – the view many student loan borrowers have of their loans – into manageable steps. The Borrower Intake Form accommodates a structured approach like this with options for entry of tasks, as well as dates when work started and ended. These entries can be made for both federal and private loans, as well as money management goals. A sample of the data indicates that while many tasks are identified (see the table below), dates of completion are infrequently recorded, but those that are tend to be most often entered for borrowers having repeat counseling sessions.

Task or Goal	Federal Loans	Private Loans	Money Mgmt
A	368	119	343
B	275	57	175
C	105	21	44
D	34	6	3
E	4	0	0



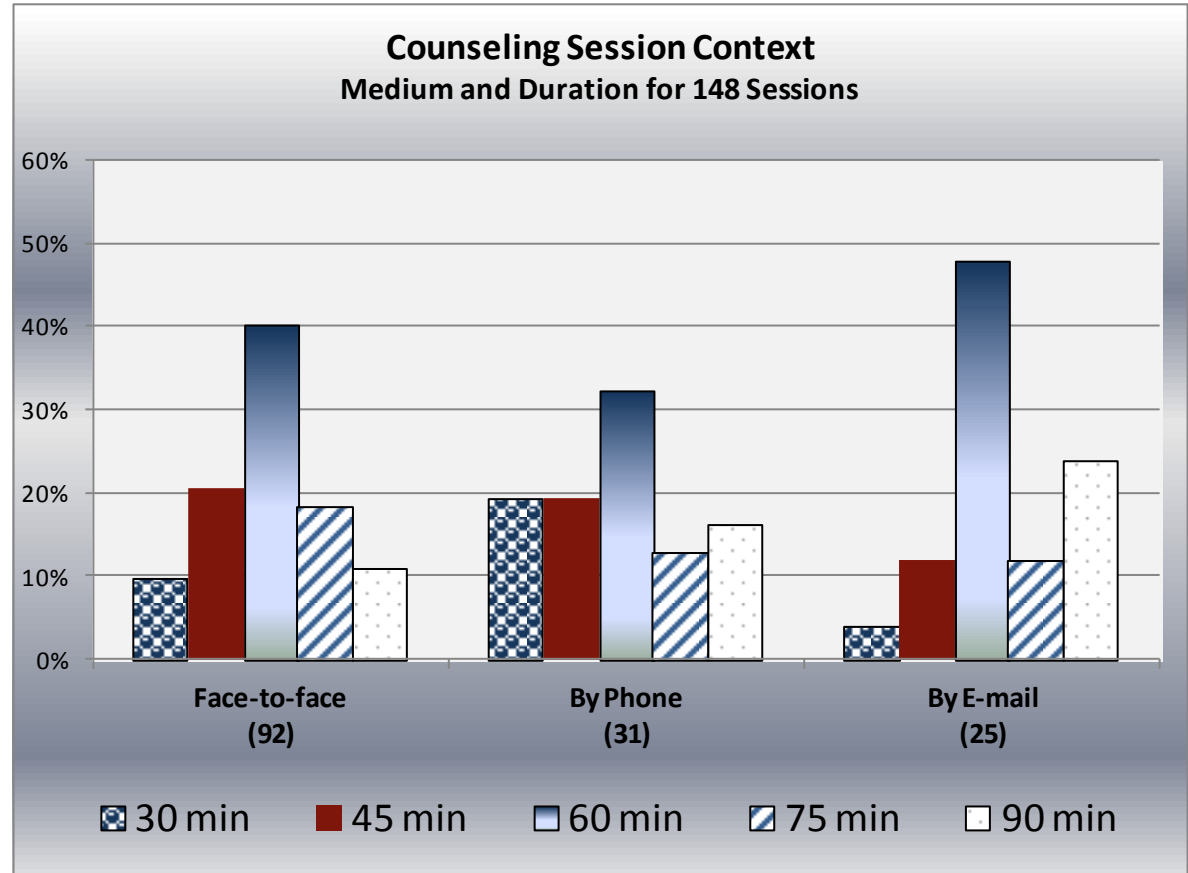
NOTE: While almost all of the borrowers received an action plan from their counselor, not all of the counseling agencies incorporated action plan information into the Borrower Intake Form. LSS, for example, recorded what it termed “recommendations” in pdf or Word documents provided to the client with supporting forms or information. Even with these external documents, some loan repayment and money management activities were entered for LSS clients, but not consistently. As a result, there are gaps in the data that make it difficult to generalize across all borrower records.

SERVICE DELIVERY PROCESSES: COUNSELOR-BORROWER CONTACT DURING COUNSELING SESSIONS

Although not consistently recorded for all clients, data available from 230 records (43 percent) indicate that the average counseling session lasted slightly more than an hour. In addition, for a total of 148 sessions, the counselor reported the way in which the counseling took place – as a face-to-face meeting; a phone conversation; or email – as well as the amount of time spent working with the client.

The majority of sessions are shown as “first sessions” – i.e., the first meeting between counselor and client. Only 7 “second sessions” had data similar to that provided in the chart at the right. More of these sessions were shorter – either 30 to 45 minutes – rather than longer.

We anticipate that the 2014 dataset will provide more complete statistics in this area.



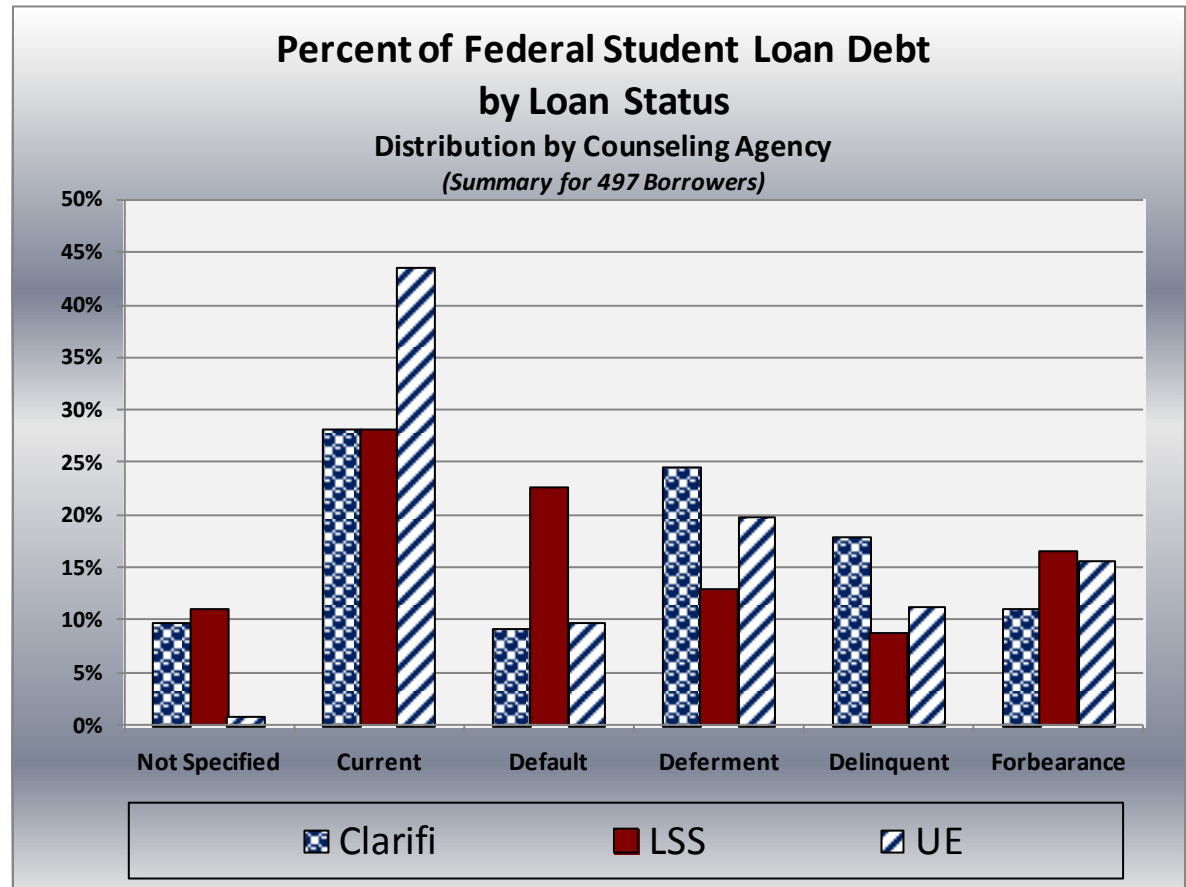
STATUS OF BORROWERS' FEDERAL LOANS REPORTED TO COUNSELING AGENCIES*

CEFC funding enabled the 3 counseling agencies to provide borrowers with guidance on federal student loans totaling over \$23 million dollars.

The chart shows the percentage distribution of these loans by status categories and counseling agency. (See the table below for total amounts and number of loans per category.) Loans that borrowers reported as current accounted for over 30 percent of the total.

Status	Total Amount	Number of Loans
Current	\$7,761,764	452
In Deferment	\$4,020,841	176
In Default	\$3,838,993	265
In Forbearance	\$3,599,726	164
Delinquent	\$2,619,839	129
Unspecified	\$1,773,507	191
Total	\$23,614,670	

Borrowers were asked to bring an NSLDS print-out of their federal loans to the counseling session. CEFC discouraged counselors from proceeding with counseling if the print-out was not available to guide recommendations.



Source	Overall	Clarifi	LSS	UE
Number of Borrowers	497	86	237	174
Total Loan Amount	\$23,614,670	\$4,046,893	\$12,216,877	\$7,350,900

*Cases where the status was not specified could be due to borrower uncertainty about a loan's standing. There are remarks in counselor comments that indicate borrowers were in some cases unaware of the status of a loan they had taken out and were surprised to find that it was delinquent.

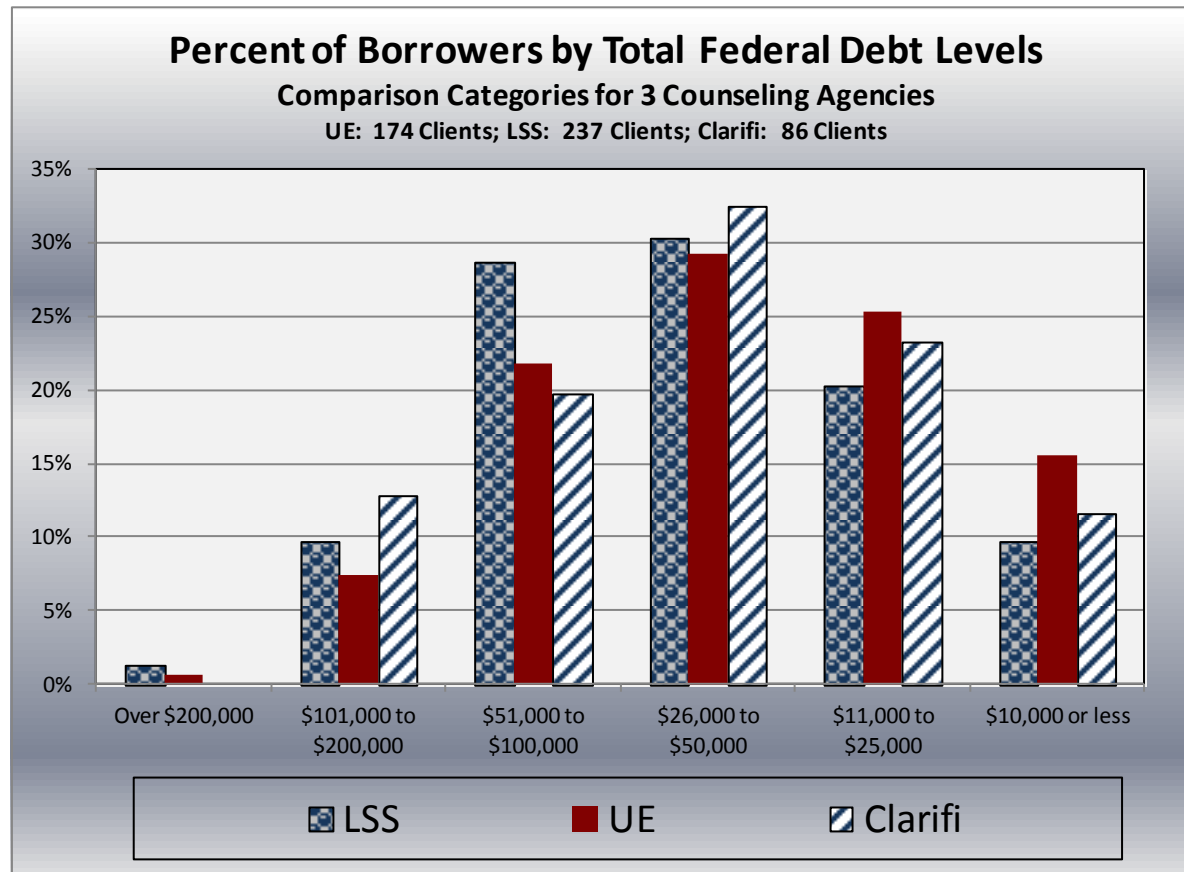
FEDERAL LOAN INDEBTEDNESS FOR BORROWERS SERVED

Balances for 1,377 federal student loans produced an average indebtedness for those counseled in the range of \$47,500.

As the chart to the right illustrates, the size of loan balances covers a wide range. Despite amounts for some that were over \$100,000, the majority of borrowers had total debt that was less than \$50,000. This varied slightly depending on the agency providing services.

Grouping	Average per Borrower
Lutheran Social Services	\$51,548
Clarifi	\$47,057
Urban Edge	\$42,247
All Borrowers	\$47,514

These figures are higher than averages reported in recent years for college graduates. This may be explained by the fact that CEFC counseling agencies serve borrowers regardless of the types of schools attended or the extent of education obtained. In reports on student loan debt, for example, the figures for for-profit schools tend to be much higher.*



* http://projectonstudentdebt.org/files/pub/Debt_Facts_and_Sources.pdf. Higher amounts are acknowledged by Pew Research: <http://www.pewresearch.org/fact-tank/2013/07/01/248455/>. Accessed September 19, 2014.

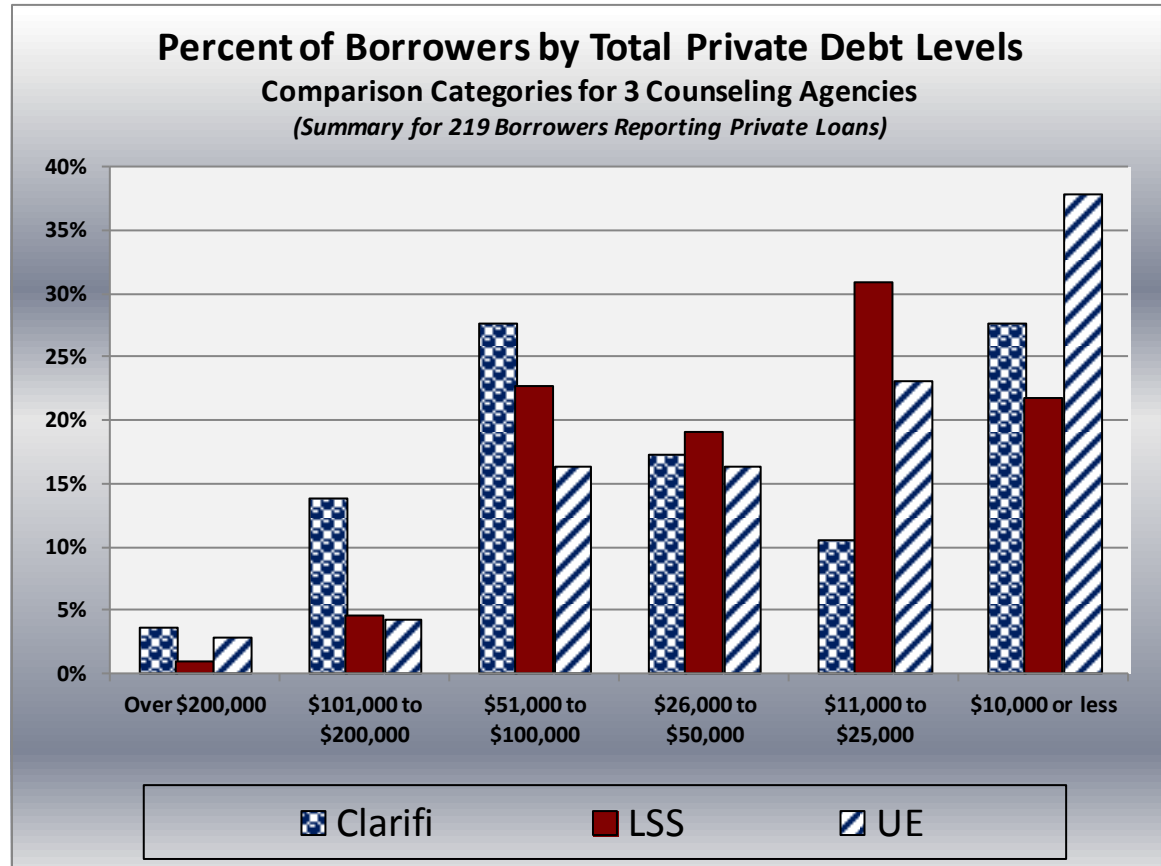
PRIVATE LOAN INDEBTEDNESS FOR BORROWERS SERVED

Within the ranks of the 533 borrowers for which 2013 data are available, 207 had one or more private loans.

Some of the borrowers had sizable private debt – in some cases exceeding federal borrowing -- but the overall average was lower, in the range of \$40,700. As the graph shows, more private loans were less than \$25,000.

Grouping	Average per Borrower
Clarifi	\$51,030
Urban Edge	\$39,579
Lutheran Social Services	\$38,871
All private loan borrowers	\$40,763

As with the federal averages, these amounts are higher than estimates offered on national student loan debt averages. One 2013 source estimates typical federal debt at \$26,000 and private loan debt at \$19,000.* These amounts are for undergraduate education only, however, while Borrower Intake Data for CEFC covers both undergraduates and graduates.



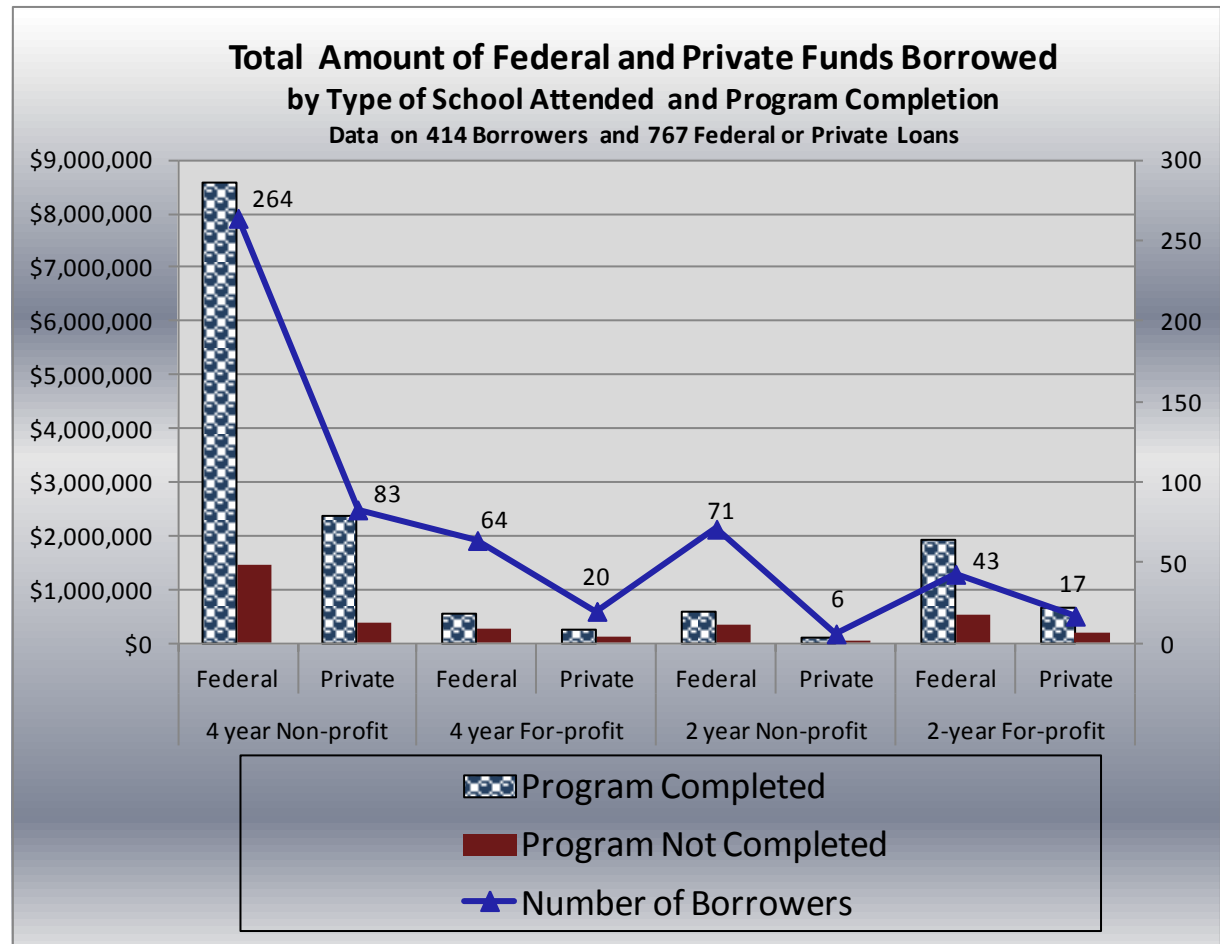
* <http://money.cnn.com/2013/05/17/pf/college/student-debt/>

The data shown in the chart illustrate how counseling agency clients may have been affected by the varying levels of expense for enrollment at different types of institutions.

Based on these data, it seems that CEFC clients have relied more heavily on traditional educational institutions ("4-year non-profit") than on for-profits, as well as on federal as opposed to private loans. For-profit schools tend to lead to higher level borrowing (as the table below shows). Regardless of the type of institution, borrowers opted most frequently for federal loans. Based on average dollar amounts, those who found it necessary to arrange private loans tended to take on somewhat higher debt.

School Type	Average Federal Loan	Average Private Loan
4-year non-profit	\$41,043	\$37,589
4-year for-profit	\$39,117	\$82,206
2-year non-profit	\$13,303	\$17,812
2-year for profit	\$18,960	\$23,162

FEDERAL AND PRIVATE LOAN INDEBTEDNESS DIFFERENT SCHOOL TYPES*



*Only a percentage of borrowers were able to provide the amounts for loans that pertain to a particular school. These data are more difficult to retrieve, since the NSLDS reports amounts for loan contracts, not specific institutions.

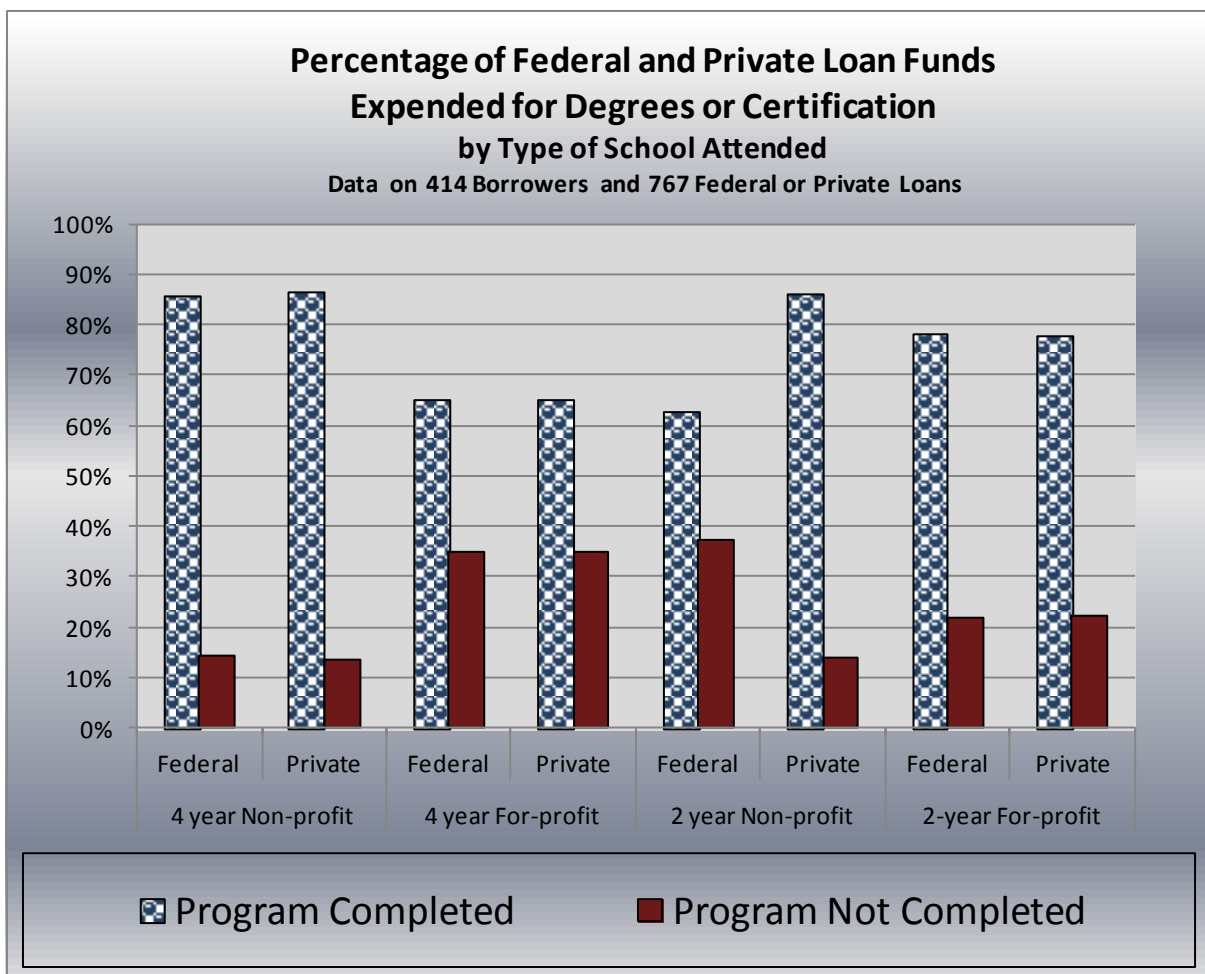
TYPES OF LOANS ASSOCIATED WITH PROGRAM COMPLETION, EXPRESSED AS PERCENTAGES

Although not one of CEFC's own "outcomes," the borrower intake data includes some detail on the result of the investment that the loan constitutes by asking whether or not the borrower completed the program for which the loan provided support. The chart shows the results.

These data are limited to borrowers who reported both loan amounts and whether the program was "completed": i.e., they received a degree, certificate or other documentation of achievement.

The table below shows the total federal and private loans associated with each type of 2-year and 4-year school.

School Type	Federal Loan Amount	Private Loan Amount
4-year non-profit	\$10,019,779	\$2,741,665
4-year for-profit	\$813,069	\$393,750
2-year non-profit	\$920,008	\$106,875
2-year for profit	\$2,472,513	\$820,547



STUDENT LOAN BORROWER CONSIDERATIONS IN SEEKING LOAN COUNSELING

At intake, student loan borrowers were asked about their reasons for wanting to speak to a counselor.

In 2013, 519 borrowers gave responses. Table # lists the most frequent reasons given. Answers were typically brief – no more than 3 to 4 sentences – and were entered into the Borrower Intake Form by the counselor.

The interest expressed in repayment plans is not surprising, given the prevalent comments about insufficient income and loan payments being too high. Despite this fact and the sizable amounts that some borrowers owed, there were references to plans to buy a house or return to school.

<i>Comments Regarding Financial Goals of Borrowers</i>	<i>Number</i>
<i>Continue education [return to school]</i>	<i>31</i>
<i>Purchase a house</i>	<i>25</i>
<i>Regain control of indebtedness</i>	<i>24</i>
<i>Improve credit rating</i>	<i>20</i>
<i>Avoid garnishment of wages</i>	<i>12</i>
<i>Keep loans in good standing</i>	<i>9</i>
<i>Shorten the repayment term</i>	<i>8</i>

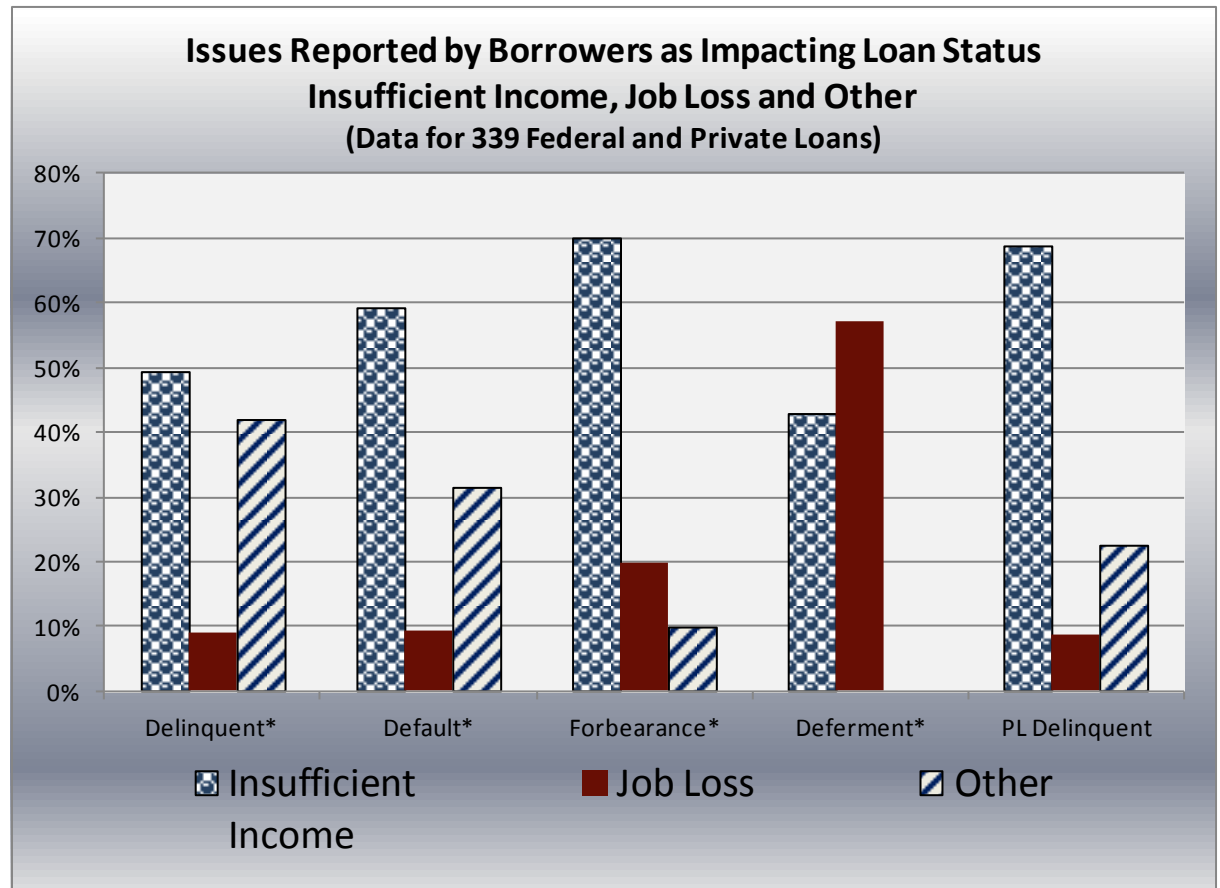
Table No. #: Summary of Data Obtained During the Intake Loan Review

MOST FREQUENTLY CITED REASONS FOR SEEKING STUDENT LOAN COUNSELING	Number making this Comment	Pct of Total (519)
Interest in repayment plans	131	25.2%
Monthly student loan payments too high, require too great a proportion of borrower income	95	18.3%
Loans in Default (includes references to loans in collections)	89	17.1%
Insufficient Income [borrower is unemployed or underemployed or has suffered other loss of income]	71	13.7%
Issues pertaining to federal loans	64	12.3%
Issues related to private loans (as opposed to federal)	63	12.1%
Interest in consolidating loans, or needing assistance with loans already consolidated	61	11.8%
Need for assistance with documentation (understanding, verifying, disputing)	44	8.5%
Difficulties involving co-signers of loans	39	7.5%
Information on Public Service Forgiveness Program and determination of eligibility	38	7.3%
Borrower unable to make payments (reason not specified, but assume financial)	34	6.6%
Income being garnished or other resources levied for student debt (includes tax refunds)	27	5.2%
Family structure (e.g., single parent) or changes in family dynamics (divorce, marriage, childbirth)	24	4.6%
Review of loans to understand loan obligations, resolve questions	23	4.4%

Borrowers also had an opportunity to indicate a reason why one or more of their loans were at a specific status, other than current. Not all borrowers gave a specific reason for being unable to make student loan payments, but as the chart illustrates, insufficient income was the most common response, other than in cases of deferment. In these instances, job loss appeared to play a bigger role.

Based on the analysis of the reasons for seeking student loan counseling, “insufficient income” could be the result of a number of factors, including seasonal employment, underemployment or loss of unemployment insurance. It could also be a reaction to the size of monthly payments, some of which appeared to absorb a high percentage of a borrower’s finances.

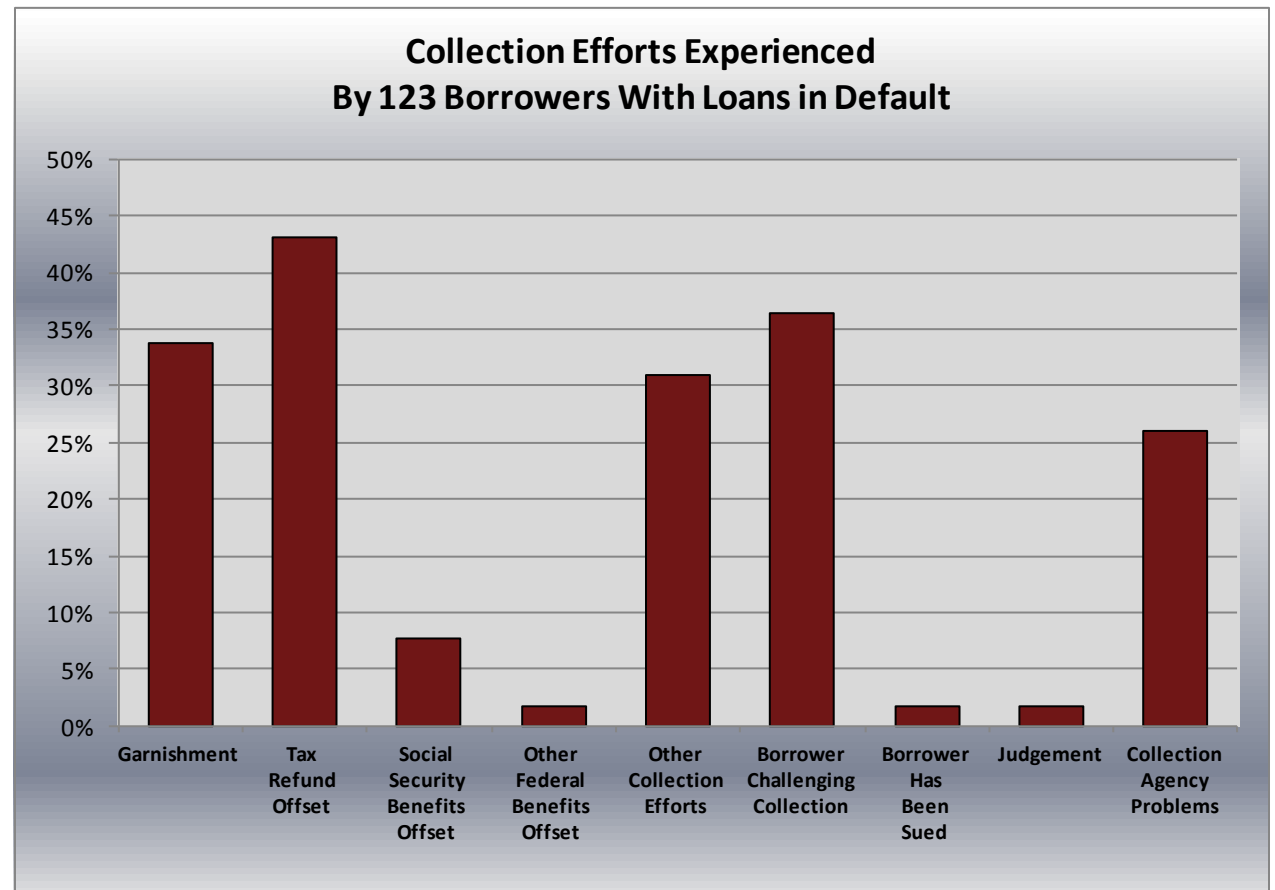
OBSTACLES TO MAINTAINING STUDENT LOANS IN CURRENT STATUS



Approximately 23 percent of the borrowers served by the counseling agencies had difficulties with some type of collection process.

The counselors complete a section of questions on loans that are in default. Among the questions are check boxes where the counselor can indicate whether the borrower's wages have been, or may be, garnished; whether the borrower's benefits have been levied; and whether they've had problems with collection agencies. The results are summarized in the chart.

LOANS IN DEFAULT: COLLECTION EFFORTS

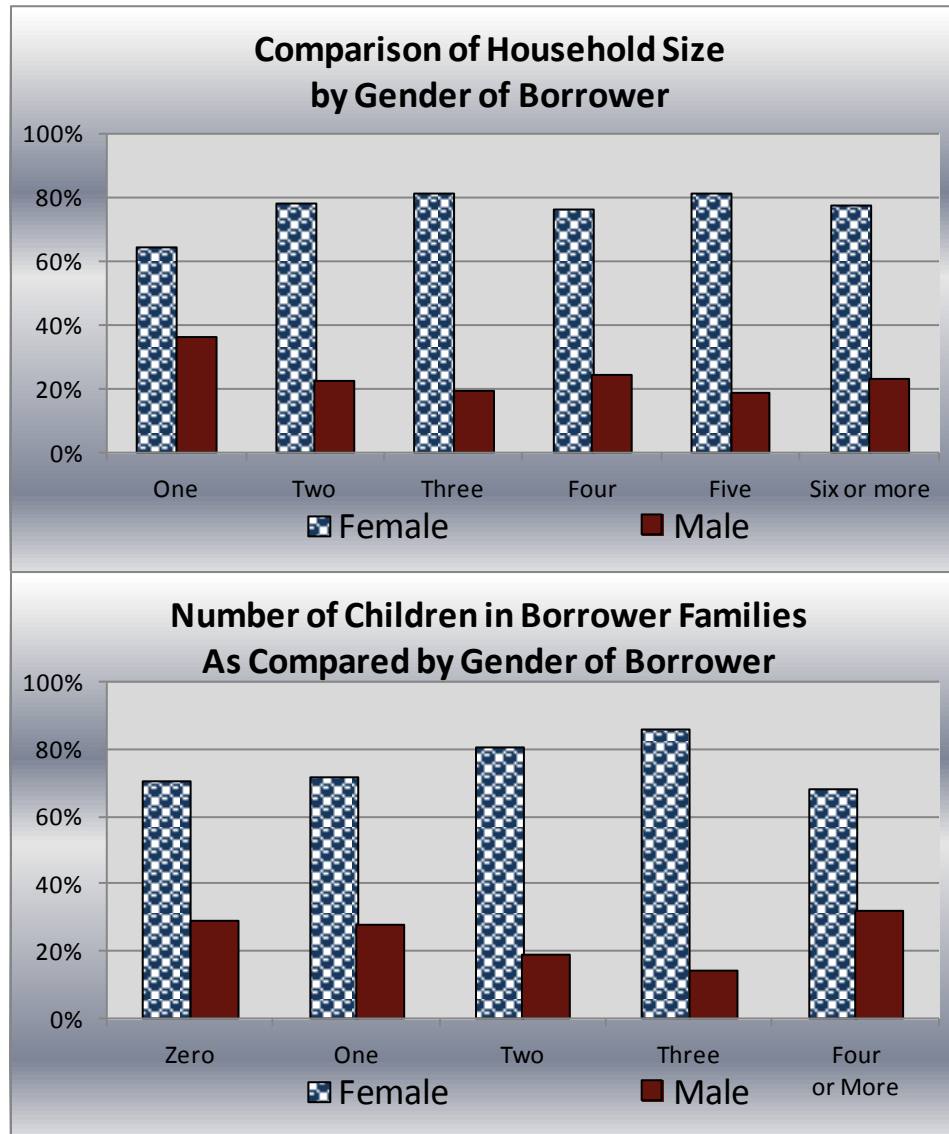


BORROWER DEMOGRAPHICS

GENDER: Of 533 borrowers served, 373 (70 percent) were women and 129 were male. An additional 31 did not have a gender designation recorded in the Borrower Intake Form.

SIZE OF HOUSEHOLD: Among the borrowers served, over 500 provided information on both the size of their households and the number of children in their family. For those reporting both gender and household size, 30 percent were living alone.

NUMBER OF CHILDREN: Of 514 clients receiving services, nearly 60 percent (or 58.8%), had no children. Not surprisingly, given the prevalence of single mothers as compared to single fathers in the general population, male borrowers were less likely than female borrowers to indicate they had children.



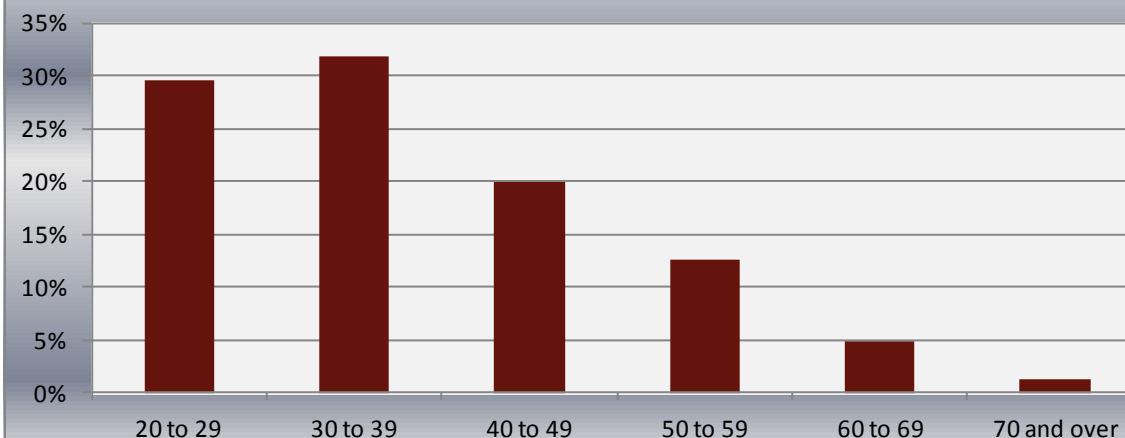
BORROWER DEMOGRAPHICS: SOCIO-ECONOMIC

AGE OF BORROWERS SEEKING COUNSELING: The majority of clients (61 percent) were from 20 to 40 years of age. An additional 20 percent were in the 40 to 49 age range. It's noteworthy that there were also older borrowers in the senior citizen range. CEFC has noted that counselors have provided services to parents who co-signed on student loans.

The records on private loans have 139 entries for co-signers. The distribution by relationship to the borrower is also shown. Parents overwhelmingly account for the majority of co-signers. Out of the 139 listed, 40 (29 percent) were the counseling agencies' clients.

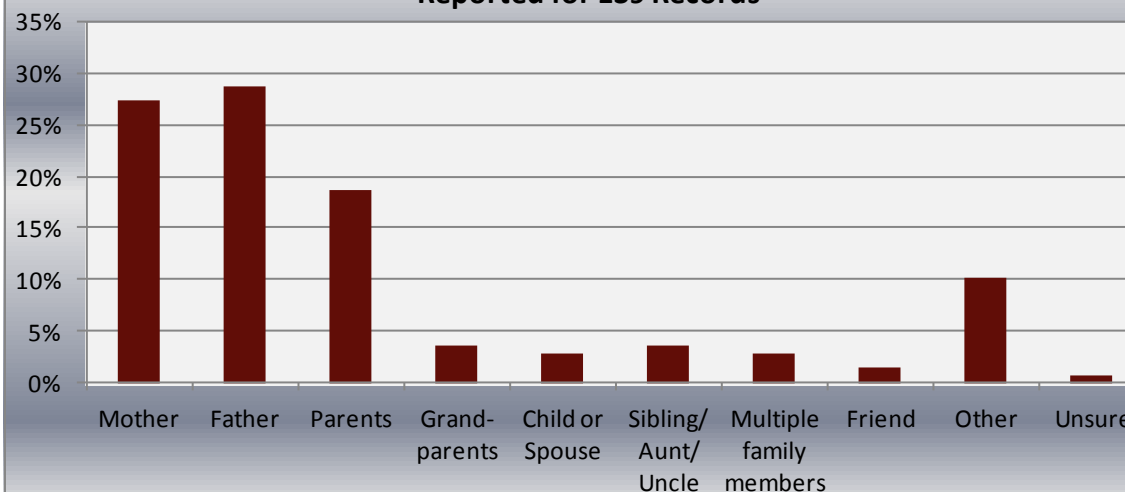
Borrowers by Age Category

Data for 496 Clients



Co-signers on Private Loans

Reported for 139 Records



BORROWER DEMOGRAPHICS: SOCIO-ECONOMIC

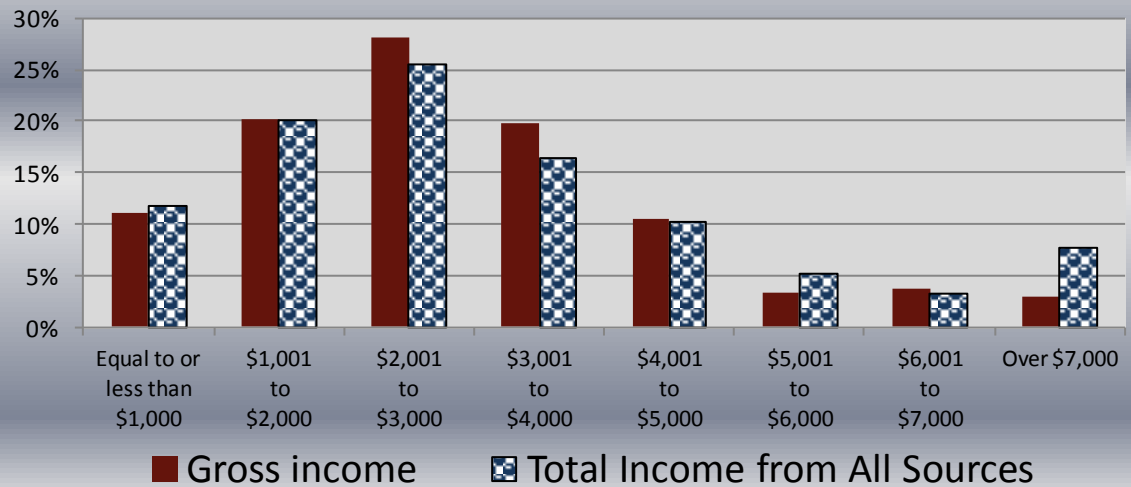
At intake counselors questioned clients about routine income of 3 types: monthly before-tax income; income from other sources; and any support from public assistance.

MONTHLY GROSS INCOME: The chart illustrates the prevalence of lower income brackets, with the majority receiving between \$2,000 and \$3,000.

TOTAL INCOME: The overall picture does not change significantly when all sources of income are added together, although the percentage of clients with resources over the \$7,000 mark more than doubles.

SOURCES OF OTHER INCOME: Spousal or partner income was the main supplement to borrower resources. Fewer borrowers had access to other income streams, such as a second job. Where retirement income was cited, it could refer to co-signers.

Monthly Gross Income and Total Income, All Sources
Percentage per Category for 434 Borrowers



SOURCES OF OTHER BORROWER INCOME
Reported by a Total of 127 Clients in addition to monthly gross income



BORROWER DEMOGRAPHICS: SOCIO-ECONOMIC

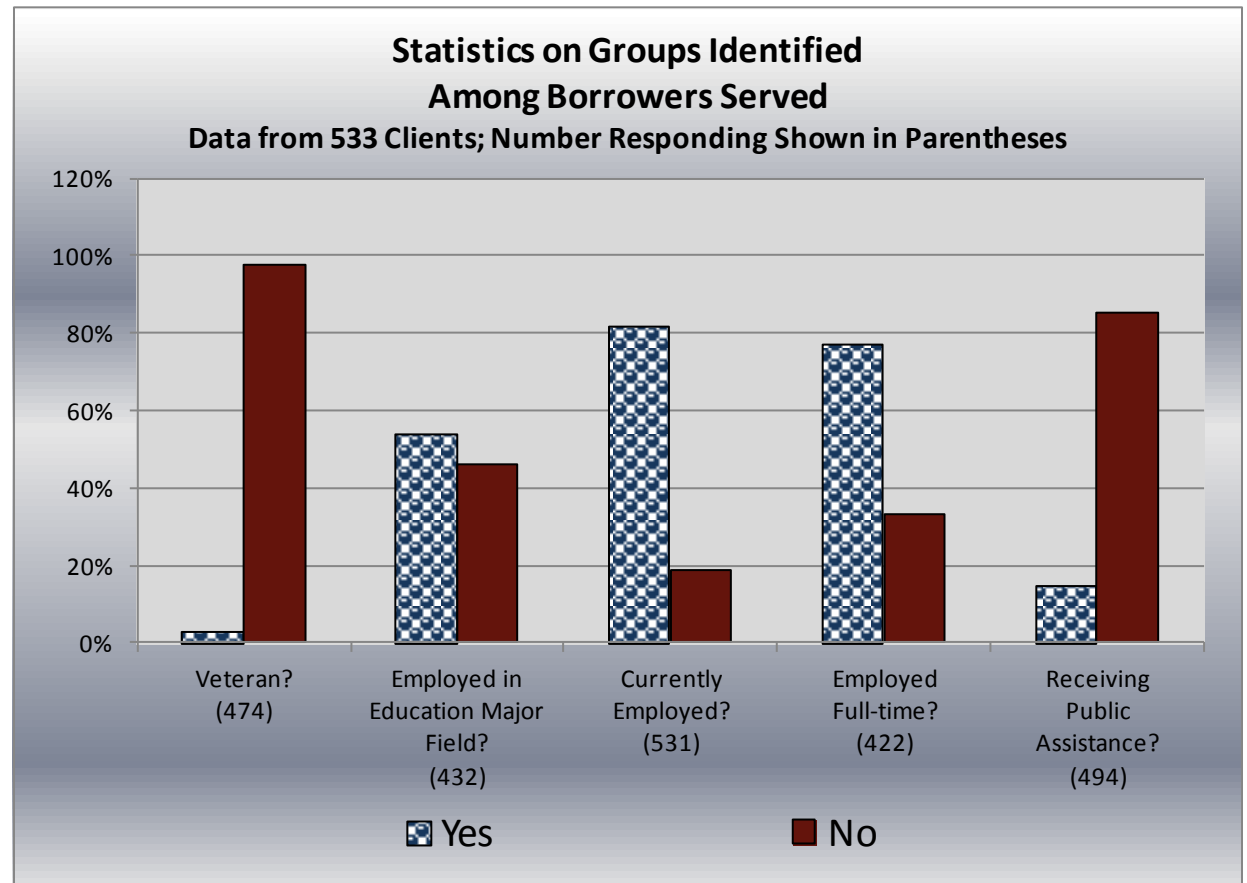
The Borrower Intake Form requests data on indicators included in the chart at the right.

VETERANS: The limited number of veterans seeking counseling may be due to other alternatives available to them through the Veterans Administration.

EMPLOYMENT: Over 80 percent of the 531 clients who gave information on employment reported having a job. Fewer indicated their FTE, but of those that did, the majority (also 80 percent) had full-time work, while 20 percent described it as "part-time."

EMPLOYMENT IN A CHOSEN FIELD: A smaller number responded to questions about being employed in the field of their major, but of those that did, over half had found this type of employment.

PUBLIC ASSISTANCE: While the percentage was not high, 72 of agency clients reported drawing on some type of public assistance. The average monthly support was \$450, with \$1,200 being the high and \$16 being the low end of the range.



CONCLUSION

With the assistance of its counseling agencies, CEFC has compiled a rich source of information on student loan borrowers. Although the data obtained from the Borrower Intake Form has its limitations, it has provided useful background on a large sample of the clients served. It has also shown the impressive level of achievement to which CEFC can lay claim in its first year of service.
