

NDUS Notification of Student Loan Lenders Regarding the Enrollment Status of Students Interim HE Committee, August 16, 2010

National Student Clearinghouse

All North Dakota University System (NDUS) colleges and universities use an approved industry standard service named the National Student Clearinghouse to report, on a periodic basis each term, the enrollment status of each student. All student loan lenders, in turn, receive their enrollment information from the Clearinghouse.

The National Student Clearinghouse is the nation's trusted source for student degree and enrollment verification. A non-profit organization established by the higher education community in 1993, the Clearinghouse serves as a central repository and single point of contact for the collection and timely exchange of accurate, comprehensive enrollment, degree, diploma, and certificate records on behalf of participating postsecondary and secondary institutions.

The Clearinghouse serves the nation's educational community by:

- **Maintaining an electronic registry containing 100 million student records**, more than any other single source
- **Providing secure and accurate online verifications to more than 10,000 verifying entities each year**, including most major employers, student service providers, insurance companies, credit issuers, the U.S. Department of Education, and others
- **Performing over 100 million electronic student record verifications annually**

More than 3,300 colleges, enrolling 92% of US college students, and hundreds of high school districts nationwide have partnered with the Clearinghouse and participate in our programs. One of the primary services is:

• **Core Service:** The Clearinghouse provides enrollment status and deferment information for financial aid students on behalf of its participating institutions to guaranty agencies, lenders, servicers and the Department of Education. Participating in our Core Service allows institutions to automate their deferment and enrollment processing, ensuring greater reporting accuracy and reduced loan default rates. All state and national guarantors and most lenders and servicers participate in the Clearinghouse.

When a student enrolls in the NDUS, their estimated graduation date is automatically populated in the ConnectND system based on the following rules: 1) for students attending at our two year colleges the anticipated graduation date is set to four years out, and 2) for students attending at our four year+ colleges the anticipated graduation date is set to six year out. This business process allows our students some flexibility and lessens the burden of putting students into repayment status based upon an earlier anticipated graduation date. Students are also able to update the estimated completion date at any time, as their plans change.

Examples of events which may prematurely trigger student notification of loan repayment

- If the student takes time off or changes major the student may attend past the anticipated graduation date. Unless the student updates their anticipated graduation term in CND, they may

receive a letter from the lender informing them about repayment, based upon the original entered anticipated graduation date. Once the campus reports the student's next enrollment the student's loans would be put on an in-school deferment.

- A student dropped to less than half time during the semester. The school would report this enrollment status in the term enrollment report to the Clearinghouse. The lender would contact the student about their grace period and repayment based on being enrolled less than half time. If the student returns to full-time status the next term, the lender receives this information from the Clearinghouse and the student is then placed back on in-school status for grace period/deferment purposes.
- Based on Clearinghouse requirements, campuses are also running the Clearinghouse report for the summer term. If a student is enrolled for summer and either drops to less than 1/2 time or withdraws (which is very common in the summer), they are getting reported as such for the summer, even though they may have been enrolled full-time in the spring and plan on returning full-time fall. Again, once they are reported in the fall to the Clearinghouse as a full-time student they will be placed back on in-school status for grace period/deferment purposes.

A student who incorrectly receives information from their lender regarding repayment status should reach out to the lender to discuss their attendance plans. Due to term reporting processes updates to the clearinghouse only happen periodically.

As student enrollment patterns change, the NDUS, working with the Bank of ND and other lenders as necessary, will continue to look for ways to improve this process for students, while still meeting federal loan requirements.

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