

APPENDIX B TO SUBPART M OF PART 668—SAMPLE DEFAULT MANAGEMENT PLAN FOR SPECIAL INSTITUTIONS TO USE WHEN COMPLYING WITH § 668.198

This appendix is provided as a sample plan for those institutions developing a default management plan in accordance with § 668.198. It describes some measures you may find helpful in reducing the number of students that default on federally funded loans. These are not the only measures you could implement when developing a default management plan. In developing a default management plan, you must consider your history, resources, dollars in default, and targets for default reduction to determine which activities will result in the most benefit to your students and to you.

I. Core Default Reduction Strategies (From § 668.198(c)(1))

1. Establish a default management team by engaging your chief executive officer and relevant senior executive officials and enlisting the support of representatives from offices other than the financial aid office.
2. Identify and allocate the personnel, administrative, and financial resources appropriate to implement the default management plan.
3. Define the roles and responsibilities of the independent third party.
4. Define evaluation methods and establish a data collection system for measuring and verifying relevant default management statistics, including a statistical analysis of the borrowers who default on their loans.
5. Establish annual targets for reductions in your rate.
6. Establish a process to ensure the accuracy of your rate.

II. Additional Default Reduction Strategies

1. Enhance the borrower's understanding of his or her loan repayment responsibilities through counseling and debt management activities.
2. Enhance the enrollment retention and academic persistence of borrowers through counseling and academic assistance.
3. Maintain contact with the borrower after he or she leaves your institution by using activities such as skip tracing to locate the borrower.
4. Track the borrower's delinquency status by obtaining reports from data managers and FFEL Program lenders.
5. Enhance student loan repayments through counseling the borrower on loan repayment options and facilitating contact between the borrower and the data manager or FFEL Program lender.
6. Assist a borrower who is experiencing difficulty in finding employment through ca-

reer counseling, job placement assistance, and facilitating unemployment deferments.

7. Identify and implement alternative financial aid award policies and develop alternative financial resources that will reduce the need for student borrowing in the first 2 years of academic study.
8. Familiarize the parent, or other adult relative or guardian, with the student's debt profile, repayment obligations, and loan status by increasing, whenever possible, the communication and contact with the parent or adult relative or guardian.

III. Defining the Roles and Responsibilities of Independent Third Party

1. Specifically define the role of the independent third party.
2. Specify the scope of work to be performed by the independent third party.
3. Tie the receipt of payments, if required, to the performance of specific tasks.
4. Assure that all the required work is satisfactorily completed.

IV. Statistics for Measuring Progress

1. The number of students enrolled at your institution during each fiscal year.
2. The average amount borrowed by a student each fiscal year.
3. The number of borrowers scheduled to enter repayment each fiscal year.
4. The number of enrolled borrowers who received default prevention counseling services each fiscal year.
5. The average number of contacts that you or your agent had with a borrower who was in deferment or forbearance or in repayment status during each fiscal year.
6. The number of borrowers at least 60 days delinquent each fiscal year.
7. The number of borrowers who defaulted in each fiscal year.
8. The type, frequency, and results of activities performed in accordance with the default management plan.

PART 669—LANGUAGE RESOURCE CENTERS PROGRAM

Subpart A—General

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AUTHORITY: 20 U.S.C. 1123, unless otherwise noted.

SOURCE: 55 FR 2773, Jan. 26, 1990, unless otherwise noted.

Subpart A—General

§ 669.1 What is the Language Resource Centers Program?

The Language Resource Centers Program makes awards, through grants or contracts, for the purpose of establishing, strengthening, and operating centers that serve as resources for improving the nation's capacity for teaching and learning foreign languages effectively.

(Authority: 20 U.S.C. 1123)

§ 669.2 Who is eligible to receive assistance under this program?

An institution of higher education or a combination of institutions of higher education is eligible to receive an award under this part.

(Authority: 20 U.S.C. 1123)

§ 669.3 What activities may the Secretary fund?

Centers funded under this part must carry out activities to improve the teaching and learning of foreign languages. These activities must include effective dissemination efforts, whenever appropriate, and may include—

- (a) The conduct and dissemination of research on new and improved methods for teaching foreign languages, including the use of advanced educational technology;
- (b) The development and dissemination of new materials for teaching foreign languages, to reflect the results of research on effective teaching strategies;

(c) The development, application, and dissemination of performance testing that is appropriate for use in an educational setting to be used as a standard and comparable measurement of skill levels in foreign languages;

(d) The training of teachers in the administration and interpretation of foreign language performance tests, the use of effective teaching strategies, and the use of new technologies;

(e) A significant focus on the teaching and learning needs of the less commonly taught languages, including an assessment of the strategic needs of the United States, the determination of ways to meet those needs nationally, and the publication and dissemination of instructional materials in the less commonly taught languages;

(f) The development and dissemination of materials designed to serve as a resource for foreign language teachers at the elementary and secondary school levels; and

(g) The operation of intensive summer language institutes to train advanced foreign language students, to provide professional development, and to improve language instruction through preservice and inservice language training for teachers.

(Authority: 20 U.S.C. 1123)

[64 FR 7741, Feb. 16, 1999]

§ 669.4 What regulations apply?

The following regulations apply to this program:

- (a) The regulations in 34 CFR part 655.
- (b) The regulations in this part 669.

(Authority: 20 U.S.C. 1123)

[58 FR 32577, June 10, 1993]

§ 669.5 What definitions apply?

The following definitions apply to this part:

- (a) The definitions in 34 CFR 655.4.
- (b) “Language Resource Center” means a coordinated concentration of educational research and training resources for improving the nation's capacity to teach and learn foreign languages.

(Authority: 20 U.S.C. 1123)

Subpart B [Reserved]

Subpart C—How Does the Secretary Make a Grant?

§ 669.20 How does the Secretary evaluate an application?

The Secretary evaluates an application for an award on the basis of the criteria contained in §§ 669.21 and 669.22. The Secretary informs applicants of the maximum possible score for each criterion in the application package or in a notice published in the FEDERAL REGISTER.

(Authority: 20 U.S.C. 1123)
[70 FR 13377, Mar. 21, 2005]

§ 669.21 What selection criteria does the Secretary use?

The Secretary evaluates an application on the basis of the criteria in this section.

- (a) *Plan of operation.* (See 34 CFR 655.31(a))
- (b) *Quality of key personnel.* (See 34 CFR 655.31(b))
- (c) *Budget and cost-effectiveness.* (See 34 CFR 655.31(c))
- (d) *Evaluation plan.* (See 34 CFR 655.31(d))
- (e) *Adequacy of resources.* (See 34 CFR 655.31(e))

(f) *Need and potential impact.* The Secretary reviews each application to determine—

- (1) The extent to which the proposed materials or activities are needed in the foreign languages on which the project focuses;
- (2) The extent to which the proposed materials may be used throughout the United States; and
- (3) The extent to which the proposed work or activity may contribute significantly to strengthening, expanding, or improving programs of foreign language study in the United States.

(g) *Likelihood of achieving results.* The Secretary reviews each application to determine—

- (1) The quality of the outlined methods and procedures for preparing the materials; and
- (2) The extent to which plans for carrying out activities are practicable and can be expected to produce the anticipated results.

(h) *Description of final form of results.* The Secretary reviews each application

to determine the degree of specificity and the appropriateness of the description of the expected results from the project.

(i) *Priorities.* If, under the provisions of § 669.22, the application notice specifies priorities for this program, the Secretary determines the degrees to which the priorities are served.

(Approved by the Office of Management and Budget under control number 1840-0608)

(Authority: 20 U.S.C. 1123)

[55 FR 2773, Jan. 26, 1990, as amended at 58 FR 32577, June 10, 1993; 70 FR 13377, Mar. 21, 2005]

§ 669.22 What priorities may the Secretary establish?

(a) The Secretary may each year select funding priorities from among the following:

- (1) Categories of allowable activities described in § 669.3.
- (2) Specific foreign languages for study or materials development.
- (3) Levels of education, for example, elementary, secondary, postsecondary, or teacher education.

(b) The Secretary announces any priorities in the application notice published in the FEDERAL REGISTER.

(Authority: 20 U.S.C. 1123)

Subpart D—What Conditions Must Be Met by a Grantee?

§ 669.30 What are allowable equipment costs?

Equipment costs may not exceed fifteen percent of the grant amount.

(Authority: 20 U.S.C. 1123)

PART 673—GENERAL PROVISIONS FOR THE FEDERAL PERKINS LOAN PROGRAM, FEDERAL WORK-STUDY PROGRAM, AND FEDERAL SUPPLEMENTAL EDUCATIONAL OPPORTUNITY GRANT PROGRAM

Subpart A—Purpose and Scope

Sec.
673.1 Purpose.