



UNITED STATES DEPARTMENT OF EDUCATION

Office of Federal Student Aid
FSA Application, School Eligibility and Delivery Services
Office of the General Manager

September 30, 2005

SUMMARY: This letter announces the revised *Sample Default Prevention and Management Plan*

SUBJECT: *Sample Default Prevention and Management Plan*

Dear Partner:

We have updated the Secretary's *Sample Default Management Plan*, first published in June 2001, adding new material and expanding the information previously provided. We have also renamed the document the *Sample Default Prevention and Management Plan* to better reflect the objectives sought when implementing the original plan. The *Sample Default Prevention and Management Plan* is an attachment to this letter.

If a school is required to use a default prevention and management plan, under 34 CFR 668.14(b)(15) because it is participating in the Federal Family Education Loan (FFEL) Program or the William D. Ford Federal Direct Loan (Direct Loan) Program for the first time or it has undergone a change of ownership that results in a change in control, the school's implementation of the nine activities in the attached *Sample Default Prevention and Management Plan* will satisfy that requirement. In addition to implementing the regulatory requirements, we encourage all schools to consider adopting the measures described in this *Default Prevention and Management Plan*.

If a school has applied for participation in the FFEL or Direct Loan Program before the date of this letter, that school may either adopt the *Sample Default Management Plan* first published in June 2001, or submit their own plan to the Secretary for approval.

If a school is applying for participation in the FFEL or Direct Loan Program for the first time or is applying for approval after a change in ownership that results in a change in control on or after the date of this letter, the school must adopt either this revised *Sample Default Prevention and Management Plan* or submit their own plan to the Secretary for approval.

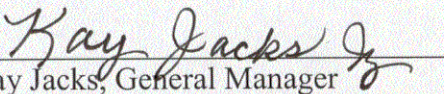
Union Center Plaza
830 First Street, N. E.
Room 82E1
Washington, D.C. 20002-5252
Tel: (202) 377-3100
Fax: (202) 275-4551

If you need technical assistance in implementing a default prevention and management plan, or if you have comments or suggestions about the *Sample Default Prevention and Management Plan*, you may contact the Default Prevention and Management Team by:

- Calling 202-377-4259;
- Visiting the Default Prevention and Management Team's web site at <http://ifap.ed.gov/DefaultManagement/DefaultManagement.html> ; or
- E-mailing to fsa.schools.default.management@ed.gov.

We will consider comments and suggestions you may have during any future update of the *Sample Default Prevention and Management Plan*.

Sincerely,


Kay Jacks, General Manager
Application, School Eligibility, and Delivery Services
Federal Student Aid

Attachment: Sample Default Prevention and Management Plan