

ECMC Sample NOTICE OF DEFAULT

RE: Student Loan(s)
SSN/LOAN #:

OUTSTANDING PRINCIPLE BALANCE: \$
OUTSTANDING ACCRUED INTEREST: \$
OUTSTANDING FEES: \$
CURRENT INTEREST RATE:

CURRENT BALANCE OWING: \$
SERVICER AT DEFAULT:
SCHOOL OF ATTENDANCE:
ORIGINAL LENDER:

Dear «Name»:

As a result of your failure to fulfill your repayment obligation, Educational Credit Management Corporation (ECMC), as guarantor of your loan, was required to pay a default claim to your lender and take assignment of your loan(s). The assignment includes the outstanding principal and interest balances noted above. The interest has been capitalized to form a new principal balance. In addition, pursuant to Federal Regulations and the terms of your promissory note, you will be assessed a one-time charge to cover the cost incurred in collecting your defaulted loan. The cost is calculated based on a percentage of your total outstanding principal and interest balance.

ECMC demands that you immediately begin repayment of this debt. FAILURE TO CONTACT ECMC to either pay the loan in full or arrange a satisfactory payment schedule may result in the following debt recovery actions:

- Contacting your employer to seize a portion of your paycheck through Administrative Wage Garnishment
- Referral to a professional collection agency
- Referral to the federal government for collection by seizure of any state and federal income tax refunds, and other payments made to you by the federal government
- Assignment of your debt to the U.S. Secretary of Education for collection and other lawful collection means to collect the debt
- Filing a civil suit against you to compel repayment of the debt

In addition, 34 C.R.F. § 682.410(b)(5) of the Department of Education rules and regulations requires that ECMC report loan defaults to all the various national credit bureaus, which significantly damages your credit rating. Reporting will begin effective 60 days from the date of this notice. You have the opportunity to avoid having the default status reported to the credit bureaus if you pay the entire balance of your loan, prior to the 60-day deadline.

You must contact ECMC immediately to discuss repayment of the balance noted above. You can call our office at **800.780.7997**, or **651.221.0037** between the hours of 7:00 a.m. -4:30 p.m. CST, Monday-Thursday, and 7:00 a.m. to 12:30 p.m. CST, Friday, e-mail us at collections@ecmc.org or visit our website at www.ecmc.org.