

COHORT DEFAULT RATE (CDR)

Did you know . . .

- One out of 10 Americans has defaulted on a student loan at one time or another?
- Over a million student loans enter default each year?
- 7.8% of all student loan debt is in default?
- \$124.4 billion in student debt is in defaulted student loans?
- 11% of new graduates default in the first 12 months of repayment?

A Cohort Default Rate is the percentage of a school's borrowers who enter repayment on certain Federal Family Education Loans (FFEL) or William D. Ford Federal Direct Loan (DL) Program loans during a particular federal fiscal year (FY), October 1st to September 30th, and default or meet other specified conditions prior to the end of the second following fiscal year.

Repayment begins six months after a student withdraws, is no longer enrolled for at least 6 credit hours or graduates.

Default occurs when a student is in the repayment period but fails to make their payments for 270 days or more.

The Department of Education releases the **official** 3-year Cohort Default Rate once per year. The data from the most recent years is provided below:

<u>ACADEMIC YEAR COHORT</u>	<u>DEFAULT RATE</u>
2017-18 (FY 18)	8.7%
2016-17 (FY 17)	14.4%
2015-16 (FY 16)	16.2%
2014-15 (FY 15)	18.6%
2013-14 (FY 14)	18.2%
2012-13 (FY 13)	20%

Edison State Community College currently outsources its default prevention activity to Student Connections, 6405 Castleway Court, Suite 100, Indianapolis, Indiana, 46250. Student Connections contacts ESCC students before their loans enter repayment and thereafter as the need occurs. They also offer counseling and online resources to increase loan borrower awareness and repayment options. Students who need assistance can reach out to Student Connections at 866-311-9450 or www.repaymyloans.org.