

**Vernon College**  
**Assessment Activity/Report Communication Form**  
**2015-2016**

Department of Education Actual FY 2012

**Title:** Cohort Default Rate

**Date of completion:** September 26, 2015

**Please circle or highlight:** Assessment Activity      Report       Both

**Highlights of data:** Our FY 2012 cohort default rate (CDR) was 16.1%, which was down slightly from 16.4% the previous year. This rate reflects the percentage of Vernon College students that entered repayment between Oct. 1, 2011 and Sept. 30, 2012, and defaulted on their loans before Sept. 30, 2014. Of the approximate 5.1 million borrowers that entered repayment in the 3 year CDR timeframe, more than 611,000 defaulted. The national FY 2012 default rate was 11.8 %, down from 13.7% in FY 2011. Of the total that defaulted, over 174,000 attended a community college. This resulted in a national community college CDR of 19.1% in FY 2012, compared to 20.6% in FY 2011. The FY 2012 CDR for Texas was 14.3% (9<sup>th</sup> highest nationwide) down from 15.9%. New Mexico had the highest rate, 20.0%, and the lowest rate, 4.5%, was in Guam.

**Use of data:** The US Department of Education has replaced its CDR calculations from two-year to three-year calculations as required by the Higher Education Opportunity Act of 2008. A three-year observation, the department says, will better reflect the number of borrowers who default on their loans. After the most recent release, fifteen institutions had a CDR of at least 30% for three consecutive years or at least 40% for the latest year and were subject to sanctions, including a loss of eligibility for one or more federal student aid programs. We currently contract with TGSLC to provide our default prevention services for approximately \$4,000 per month. Based on their analysis, they project our FY 2013 CDR at 16.3%. The estimated rate will be released in February 2016.

**How associated to Student Success?** If VC ever lost Title IV eligibility, (last year we disbursed over \$12 million in Federal Title IV funds), our students would not receive this benefit and it would be difficult for VC to continue operating.

**Where the report can be found:** Financial Aid Office

**Submitted by:** Melissa Elliott      **Date:** October 6, 2015  
(Responsible Party)

- \* Posted on Vernon College website to be shared with SSBTN and College Effectiveness Committees as well as Vernon College constituents.

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**Received by Office of Quality Enhancement:** 10/20/15  
(Date)

**Presented to SSBTN Committee\*:** \_\_\_\_\_  
(Date)

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