

Vernon College
Assessment Activity/Report Communication Form
2016-2017

Department of Education Actual FY 2013

Title: Cohort Default Rate

Date of completion: September 26, 2016

Highlights of data: Our FY 2013 cohort default rate (CDR) was 15.9%, which was down slightly from 16.1% the previous year. This rate reflects the percentage of Vernon College students that entered repayment between Oct. 1, 2012 and Sept. 30, 2013, and defaulted on their loans before Sept. 30, 2015. Of the approximate 5.2 million borrowers that entered repayment in the 3 year CDR timeframe, more than 593,000 defaulted. The national FY 2013 default rate was 11.3 %, down from 11.8% in FY 2012. Of the total that defaulted, over 176,000 attended a community college. This resulted in a national community college CDR of 18.5% in FY 2013, compared to 19.1% in FY 2012. The FY 2013 CDR for Texas was 12.6% (14th highest nationwide) down from 14.3%. New Mexico had the highest rate, 18.9%, and the lowest rate, 6.0%, 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, eleven 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/Loan Science to provide our default prevention services for approximately \$4,000 per month. Based on their analysis, they project our FY 2014 CDR at 15.1%. The estimated rate will be released in February 2017.

How associated to Student Success? If VC ever lost Title IV eligibility, (last year we disbursed approximately \$11 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 5, 2016
(Responsible Party)

* To be shared with the Student Success Data and College Effectiveness Committees as well as Vernon College constituents.

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(Date)

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