

Vernon College

Assessment Activity/Report Communication Form 2011-2012

Title: FY 2009 Cohort Default Rate

Date of completion: September 17, 2012

Please circle:

Assessment Activity

Report

Both

Highlights of data: Our FY 2010 cohort default rate(CDR) was 21.3%, which was up from 11.2% the previous year. This rate reflects the percentage of students that entered repayment in FY 2010 (October 1, 2009 through September 30, 2010) who defaulted by the end of the next FY (September 30, 2011). According to the Department of Education, nationally more than 4.1 million borrowers entered repayment during that time and nearly 375,000 defaulted. The national FY 2010 default rate for all institutions was 9.1%. The national FY 2010 default rate for community colleges was 13.4%. The FY 2010 default rate for Texas was 11.5% (6th highest nationwide).

Use of data: Since our default rate exceeded the 15% threshold, we no longer qualify to deliver in a single installment loans that are made for one semester and must delay the first disbursement of a loan for 30 days for a first-time, first-year borrower. Institutions with high default rates are subject to sanctions. Schools with three official consecutive CDRs of 25% or greater, or a single CDR of greater than 40% could lose eligibility for participation in certain Title IV programs, including DL and Pell. This year, two schools were subject to these sanctions. We currently contract with ECMC to provide our default prevention services for approximately \$3,000 per month. The HEA of 2008 expanded the cohort default rate window from two years to three years. The new cohort default rate will begin in FY 2012 (borrowers entering repayment in FY 2009). The threshold for sanctions will increase to 30%. Our FY 2009 3 year rate was 19.8%.

How associated to Student Success? If VC ever lost Title IV eligibility, (last year we disbursed \$12.7 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
(responsible party)

Date: October 22, 2012

Received by Office of Institutional Effectiveness: **October 22, 2012**

Presented to College Effectiveness Committee: **January 2013**