


NSLP National Student Loan Program We guarantee it.™

## Adjusting to a Three-year Cohort Rate



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## Cohort calculation

- Three-year rate:  
# of borrowers entering repay in cohort FY plus those defaulted in that cohort FY or the subsequent **two**\* FYs

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# borrowers entering repay in cohort FY

\* One FY for 2-year rate

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## Two-year draft files released:

	Numerator	Denominator
Feb 2010	(cohort) FY08	FY08, FY09
2011	FY09	FY09, FY10
2012	FY10	FY10, FY11
2013	FY11	FY11, FY12

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### Three-year draft files released:

	<u>Numerator</u>	<u>Denominator</u>
<u>Feb</u>	<u>(cohort)</u>	
2012	FY09	FY09, FY10, FY11
2013	FY10	FY10, FY11, FY12
2014	FY11	FY11, FY12, FY13

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### Quiz question results

For how many years will ED publish both two-year and three-year rates?

- 0 years
- 2 years
- 3 years
- indefinitely

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### Schedule of release dates:

	<u>2-year</u>	<u>3-year</u>
FY08	2010	N/A
FY09	2011	2012
FY10	2012	2013
FY11	2013	2014

- No sanctions until three years of three-year rates
- Two-year rates continue through FY11

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## The Difference

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## Three-year rate example

	FY09	FY10	FY11	Rate		
<b>2-year:</b> Defaulters	1	+	31	$\frac{32}{500} = 6.4\%$		
Enter Repay	500					
<b>3-year:</b> Defaulters	1	+	31	+	20	$\frac{52}{500} = 10.4\%$
Enter Repay	500					

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## FY07 cohort: 2-year vs. 3-year

Actual change in defaulters  
(selected sectors)

<u>Year(s)→</u>	<u>1st &amp; 2nd</u>	<u>3rd</u>	<u>3-Yr Total</u>
Public 2	48,667	+ 29,376	= 78,043
Public 4+	54,238	+ 33,148	= 87,386
Private 4+	28,441	+ 19,275	= 47,716
For-profit 2	26,787	+ 23,489	= 50,276
For-profit 4+	44,007	+ 36,316	= 80,323

Source: Compiled using ED's school default data

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### FY07 cohort: 2-year vs. 3-year Default rate difference (selected sectors)

	<u>2-year</u>	<u>3-year</u>	<u>Change</u>
Public 2	10.00%	16.24%	+62%
Public 4+	4.36%	7.15%	+64%
Private 4+	3.71%	6.31%	+70%
For-profit 2	12.33%	24.22%	+96%
For-profit 4+	9.87%	18.52%	+88%

Source: Compiled using ED's school default data

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## Where are we now?

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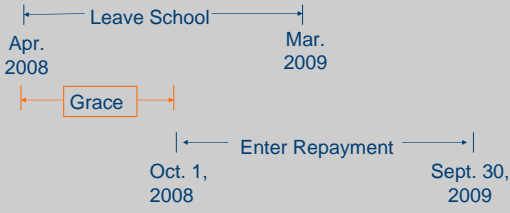
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### FY09 cohort borrowers left school as early as April 2008



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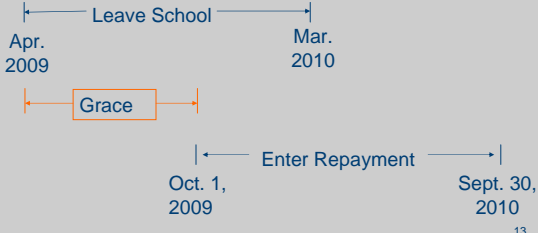
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### FY10 cohort borrowers left school as early as April 2009



Timeline details:  
 - Leave School: Apr. 2009 to Mar. 2010  
 - Grace: (unlabeled duration)  
 - Enter Repayment: Oct. 1, 2009 to Sept. 30, 2010

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### What can I do?

*Better to do **something** imperfectly than to do nothing flawlessly.*  
 - Robert H. Schuller

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### Quiz question results

The cohort extract file name is SHCDREOP.

- a) True
- b) False

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## Now

- Review FY08 draft and appeal
  - cover letter (SHDRLROP)
  - review hard copy report (SHCDRROP)
  - examine cohort extract file (SHCDREOP)
    - CARS is a great tool

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## Going forward

- Educate about repayment options
  - entrance/exit
  - send borrowers letters
  - article in alumni newsletter
- Help students learn about money matters
  - freshman seminars
  - campus organizations
  - NSLP's FLO
    - [www.nslpflonline.org](http://www.nslpflonline.org)

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## Going forward

- Ensure accurate NSLDS data
  - work with Clearinghouse/NSLDS person
  - educate your students on using NSLDS
  - update via cohort file review/appeal

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## Quiz question results

DRC015 is an important NSLDS report.

- a) True
- b) False

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## Going forward

- ID borrower traits
  - default cohort files
  - cohorts from your own records
  - use NSLDS report DRC015

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## DRC015

- School repayment information loan detail
  - is “floating” 2-year cohort
  - ID borrowers w/ potential incorrect data
  - see 2-year cohort four months before draft
  - monthly monitor default characteristics

\*NSLP partnered w/ a school

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## Expand your plan

- Develop sessions for specific students
  - one-on-one
  - group
- Write to departed borrowers

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## Questions?



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## Contact information

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