

College Assist Cohort Default Rate is Among Lowest in US

College Assist’s official cohort default rate continues to drop, with the organization now ranking fourth among the nation’s guarantors. College Assist’s draft 2005 cohort default rate (the most recent available) is 2.5 percent, down from the previous year’s rate of 2.7 percent.

“Our consistently low cohort default rate is a result of a focused collaboration with our school and lender partners over the last five years,” said College Assist Director Deb DeMuth. “We work very hard on default prevention, and fortunately it shows in our steadily declining rate.”

College Assist is one of the few guaranty agencies that have a Voluntary Flexible Agreement (VFA) with the U.S. Department of Education. The unique agreement encourages College Assist to work to prevent defaults rather than focusing on collecting defaulted loans, offering greater protection to both students and schools from the negative effects of default.

Through the efforts outlined in the VFA, College Assist has significantly enhanced its default aversion activities over the past several years. Students who borrow from Nelnet lenders or whose loans are serviced at Nelnet



and guaranteed at College Assist are subject to even more rigorous default prevention efforts. For example, federal regulations require guarantors to begin educating delinquent borrowers about their default aversion options after 120 days of delinquency. Under its VFA, College Assist starts the education process for those borrowers just 60 days into delinquency.

With a cohort default rate that has dropped nearly four points in as many years, we’ve answered the call by schools and lenders to help them better serve borrowers. Lower rates mean fewer defaults, and that’s central to our mission – helping you succeed by helping your students succeed.

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