

College Assist's Low Cohort Default Rate Holds Steady

Despite the ongoing financial turmoil that has caused an increase in student loan defaults, College Assist's cohort default rate continues to hold steady at 2.5 percent. College Assist ranks among the nation's 10 lowest guarantor cohort default rates, according to the most current figures — for 2006 — released by the U.S. Department of Education.

“With a cohort default rate that has dropped nearly four points in the last five years, we're helping schools and lenders make higher education accessible, and ultimately helping students succeed,” said College Assist Director Deb DeMuth. “We work very hard on default prevention, and fortunately it shows in our consistently low rate.”

A cohort default rate is a head count of borrowers who enter repayment during a federal fiscal year (FFY) compared to the number in that group who default by the end of the next FFY. The federal fiscal year runs from October 1 to September 30.

College Assist has placed a premium on default aversion activities. 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. College Assist starts the education process for those borrowers just 60 days into delinquency.

For more information about cohort default rates and to learn more about the importance of a low CDR, see our Learning Brief online at www.college-assist.com — choose the Schools link, then “Financial Aid Resources” and “Reference Tools.”

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