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Minnesota Cohort Default Rates 2003 Federal Guaranteed Student Loans



Authors

Tricia Grimes

Senior Policy and Research Analyst

Tel: 651-642-0589

Tricia.Grimes@state.mn.us

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The Minnesota Office of Higher Education is a cabinet-level state agency providing students with financial aid programs and information to help them gain access to post-secondary education. The agency serves as the state's clearinghouse for data, research and analysis on post-secondary enrollment, financial aid, finance and trends.

The Minnesota State Grant Program, which is administered by the agency, is a need-based tuition assistance program for Minnesota students. The agency oversees tuition reciprocity programs, a student loan program, Minnesota's 529 College Savings Program, licensing and an early awareness outreach initiative for youth. Through collaboration with systems and institutions, the agency assists in the development of the state's education technology infrastructure and shared library resources.

Minnesota Office of Higher Education

1450 Energy Park Drive, Suite 350

Saint Paul, MN 55108-5227

Tel: 651.642.0567 or 800.657.3866

TTY Relay: 800.627.3529

Fax: 651.642.0675

E-mail: info@ohe.state.mn.us

www.getreadyforcollege.org

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2003 Cohort Default Rates

On September 14, 2005, the U.S. Department of Education released the 2003 default rates for each post-secondary institution. The 2003 rates are the latest available, and they represent the number of borrowers who defaulted on their federally guaranteed student loans within 12 to 24 months after leaving post-secondary education. More precisely, the Fiscal Year 2003 default rate is a snapshot in time of borrowers who began repaying their loans between October 1, 2002 and September 30, 2003 and who defaulted before Sept. 30, 2004.

National Cohort Default Rate

The national federal student loan cohort default rate for 2003 is 4.5 percent as compared to 5.2 percent for Fiscal Year 2002 and 5.4 percent for Fiscal Year 2001.

Minnesota Cohort Default Rate

Borrowers who attended Minnesota institutions had a cohort default rate of 3.3 percent for 2003, as compared to 4.1 percent for 2002 and 3.4 percent for 2001.

Default Rates for Institutions in Minnesota

The U.S. Department of Education's report on 2003 default rates included 101 institutions in Minnesota.

21 Minnesota institutions had 2003 default rates that are higher than their default rates in 2001.

76 Minnesota institutions had 2003 default rates that are lower than their default rates in 2001.

4 Minnesota institutions had 2003 default rates that are the same as their rates in 2001.

Cohort default rates for each institution for 2003 are shown in Figures 1 through 5. There are 13 Minnesota institutions that had zero default rates – no students defaulted in the 2001 cohort.

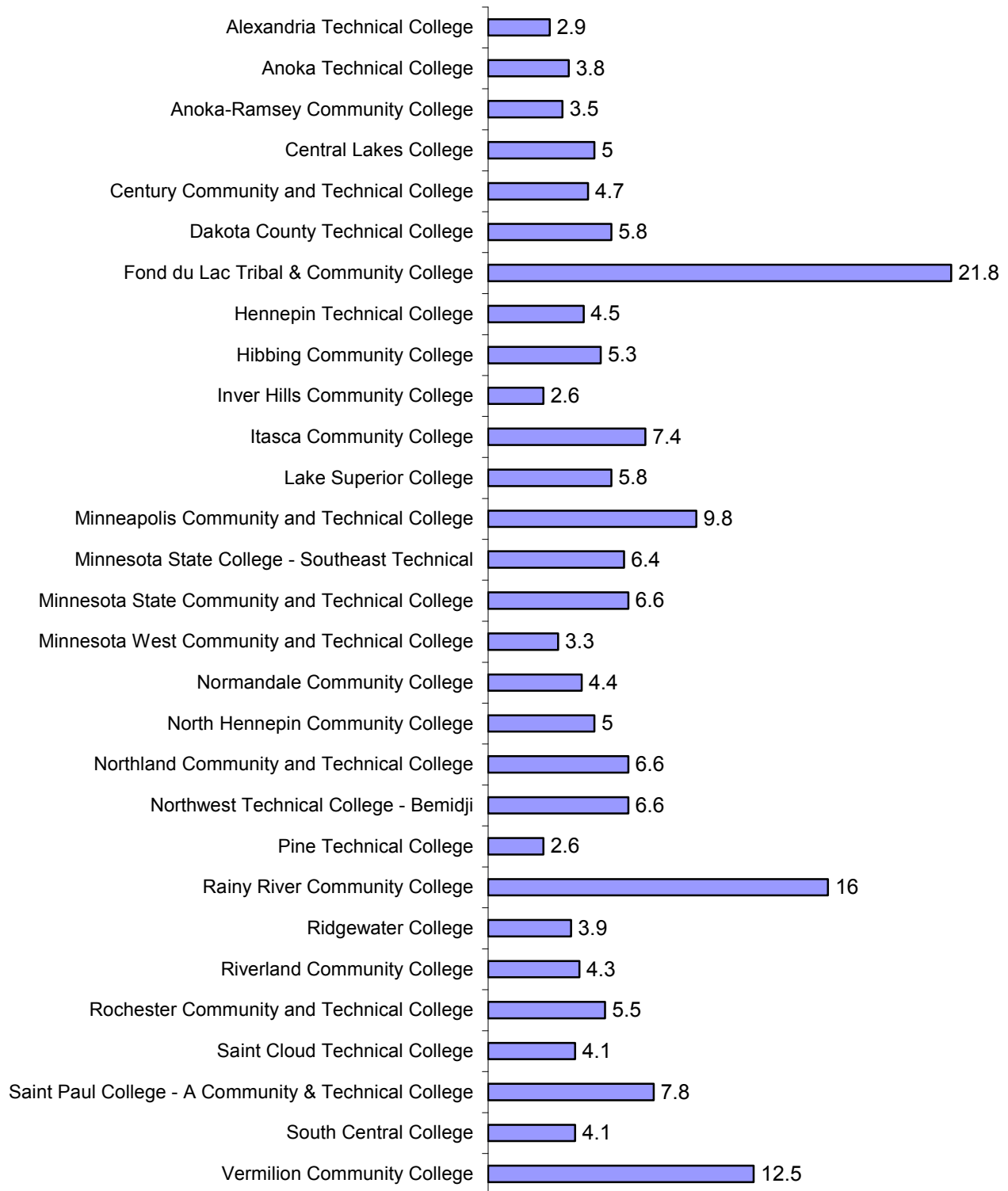
Categories of Default Rates and Sanctions

Minnesota had no institutions with default rates that were subject of sanctions by the U.S. Department of Education.

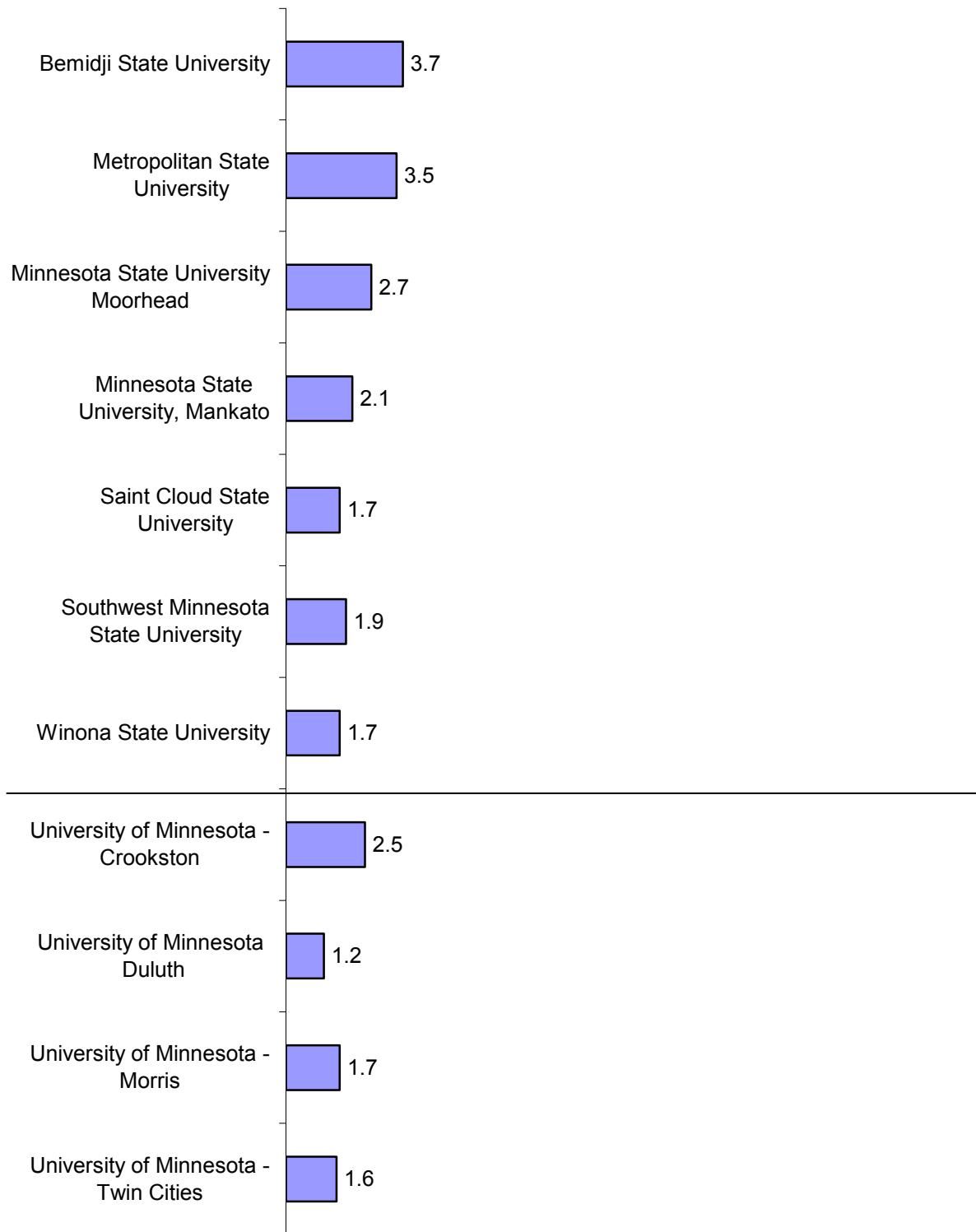
If an institution has cohort default rates of 25 percent or more for the three most recent years, students attending the institution will not be eligible for Federal Stafford Loans and Federal Pell Grants for the remainder of that fiscal year and the following two fiscal years.

In an institution has a cohort default rate of 40 percent or more for one year, students attending the institution will not be eligible for Federal Stafford Loans for the remainder of that fiscal year and the following two fiscal years.

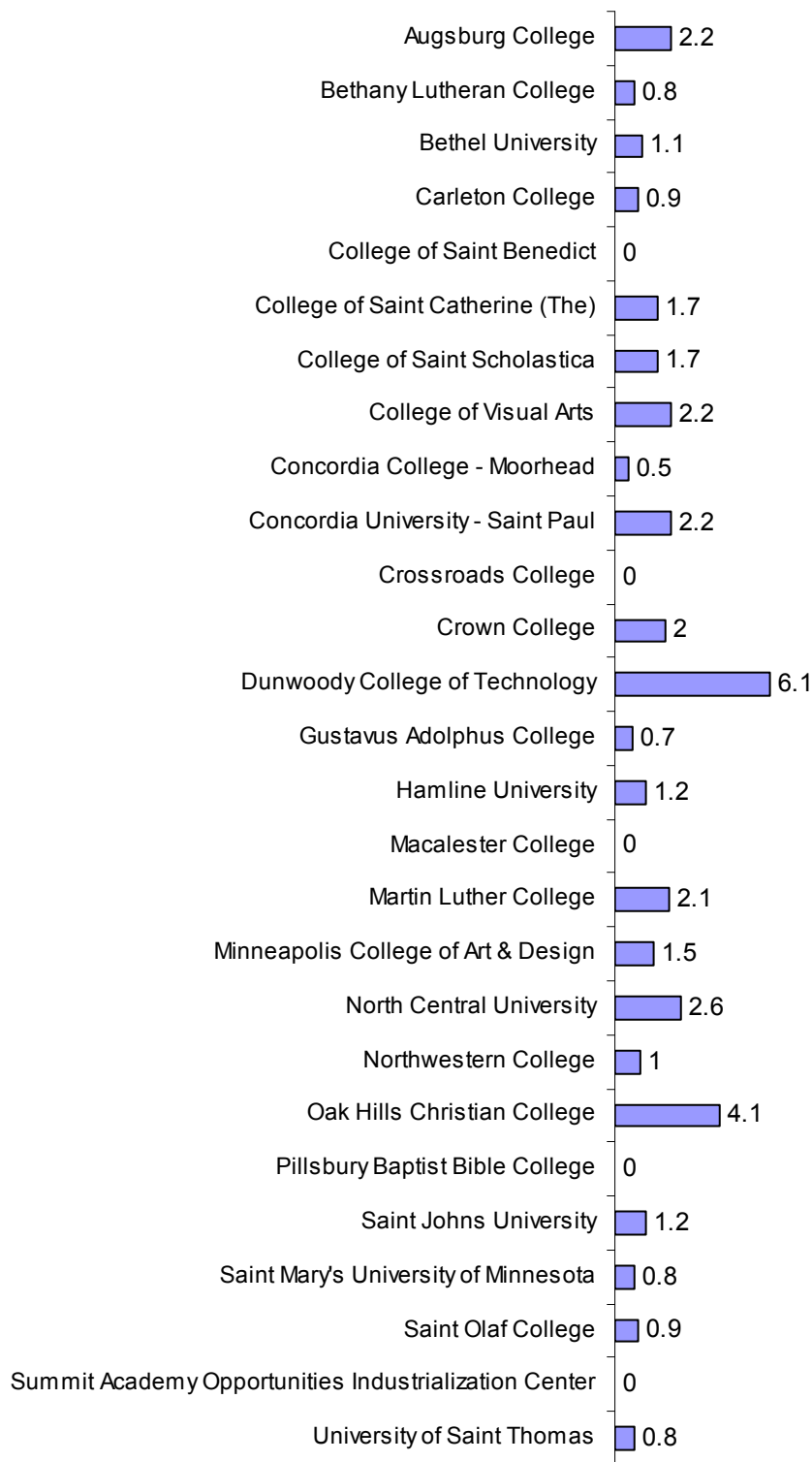
Default Rates, 2003 Minnesota State Colleges (Two-Year)



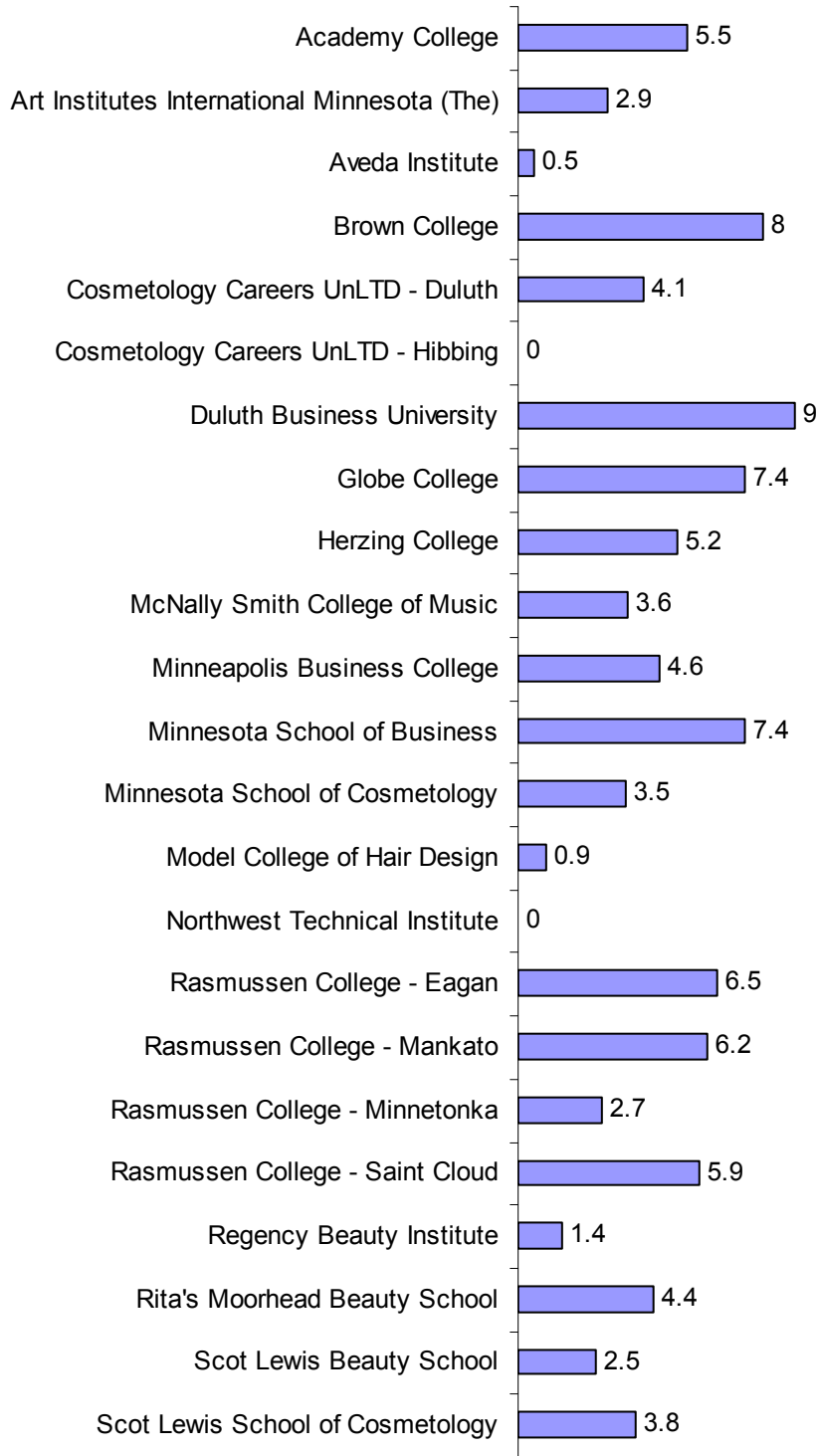
Default Rates, 2003 Minnesota State Universities, University of Minnesota



Default Rates, 2003 Minnesota Not-For-Profit Institutions



Default Rates, 2003 Minnesota For-Profit Institutions



Default Rates, 2003 Minnesota Private Graduate and Professional Schools

