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Minnesota Cohort Default Rates 2006

Federal Guaranteed
Student Loans



About the Minnesota Office of Higher Education

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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.

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2005 Cohort Default Rates

On September 16, 2008, the U.S. Department of Education released the 2006 default rates for each post-secondary institution. The 2006 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 2006 default rate is a snapshot in time of borrowers who began repaying their loans between October 1, 2005 and September 30, 2006 and who defaulted before Sept. 30, 2007.

National Cohort Default Rate

The national federal student loan cohort default rate for 2006 is 5.2 percent, as compared to 4.6 percent for Fiscal Year 2005 and 5.1 percent for Fiscal Year 2004.

Minnesota Cohort Default Rate

Borrowers who attended Minnesota institutions had a cohort default rate of 2.9 percent for 2006, compared to a rate of 3.0 percent for 2005 and 3.2 percent for 2004.

Default Rates for Institutions in Minnesota

The U.S. Departments of Education's report on 2006 default rates included 101 institutions in Minnesota. Default rates changed by more than half of one percent or stayed the same as follows:

- 29 Minnesota institutions had 2006 default rates that were higher than their default rates in 2005.
- 29 Minnesota institutions had 2006 default rates that were lower than their default rates in 2005.
- 43 Minnesota institutions had 2006 default rates that were the same as their rates in 2005.

Cohort default rates for each institution for 2006 are shown in Figures 1 through 5. There were 11 Minnesota institutions that had zero default rates – no students defaulted.

Categories of Default Rates and Sanctions

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

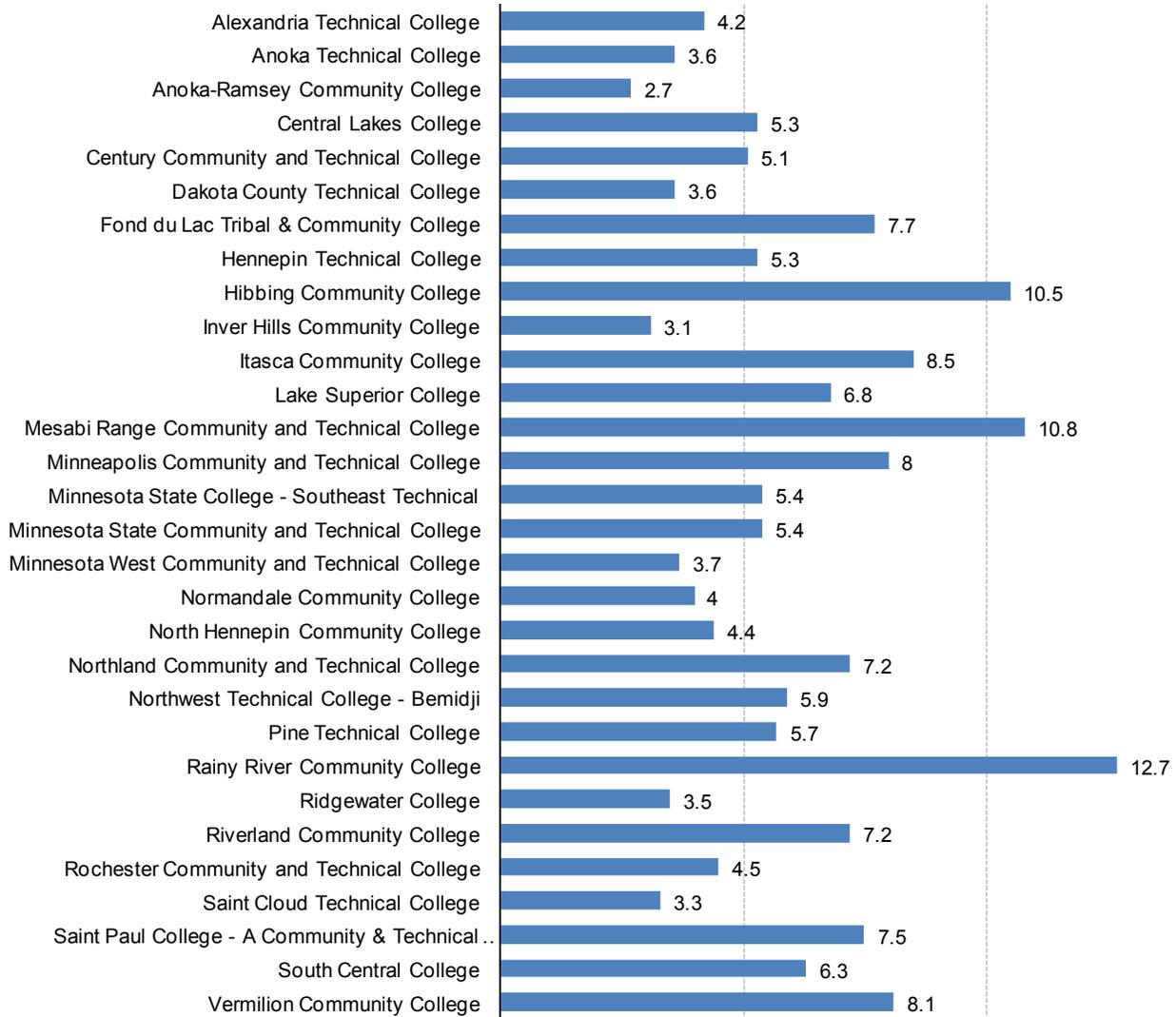
If an institution has a cohort default rate of 40 percent or more for one year, students attending the institution will not be eligible for Federal Stafford Loans for the remainder of that fiscal year and the following two fiscal years.

Additional information about federal cohort default rates by institution is available the following website: <http://www.ed.gov/offices/OSFAP/defaultmanagement/cdr.html#table>

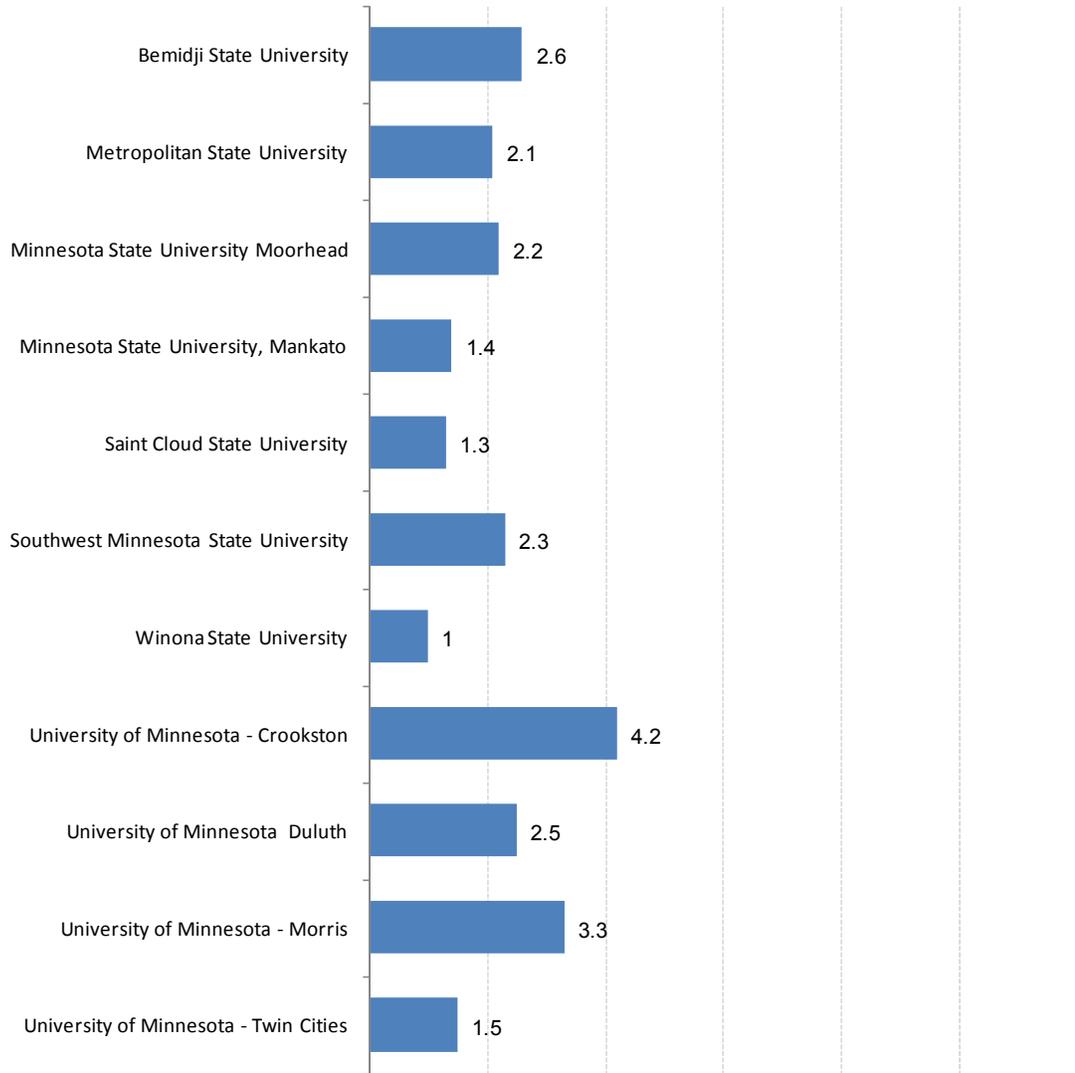
**2006 Federal Cohort Default Rates for
Minnesota Institutions by Institution Type**

MnSCU Two-Year Colleges	5.6%
MnSCU Four-Year Universities	1.7%
University of Minnesota	2.0%
Private For-Profit Institutions	5.2%
Private Not-for-Profit Institutions	1.0%
Private Graduate Schools	1.0%
Total for All Minnesota Institutions	2.9%

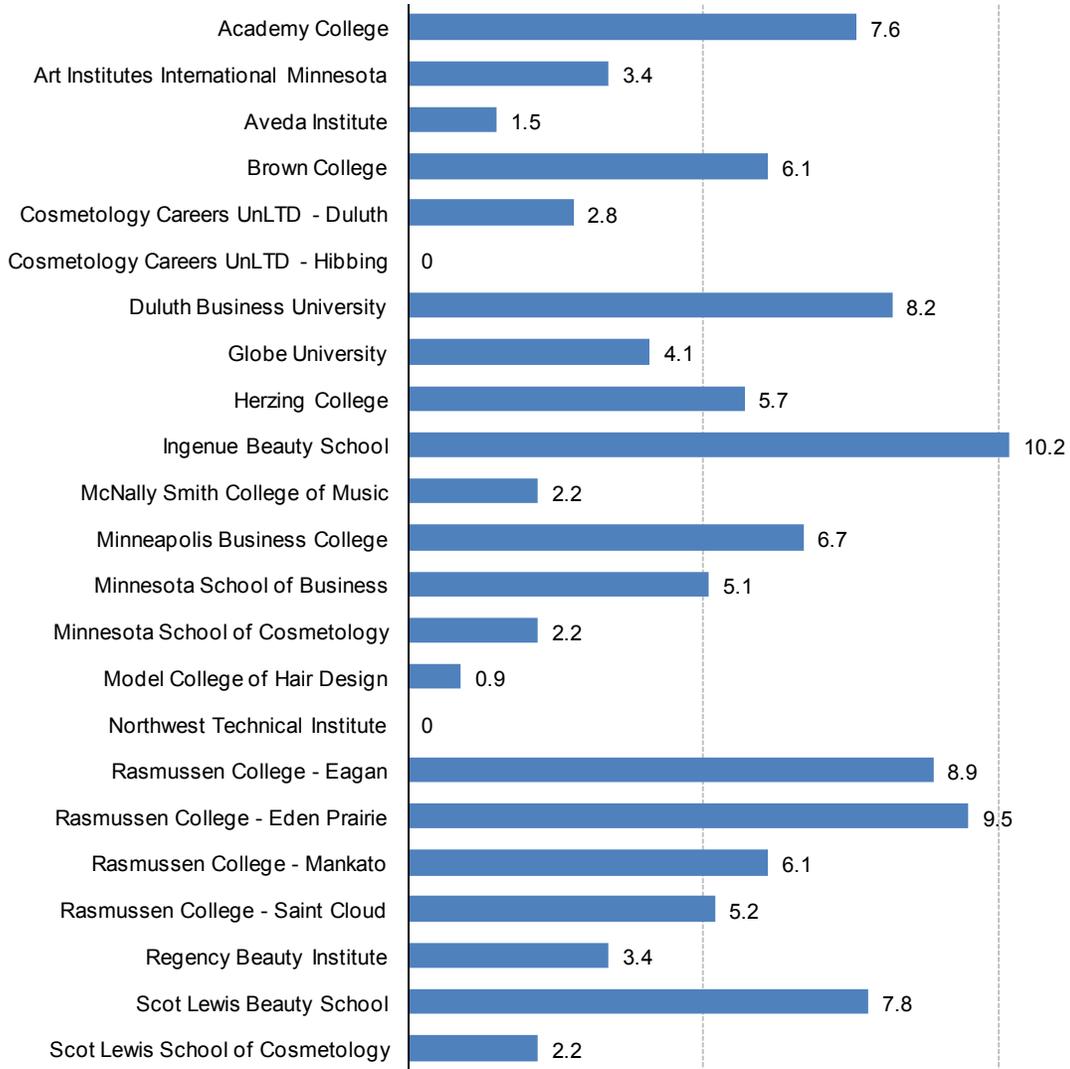
Minnesota Public Two-Year Colleges 2006 Default Rates



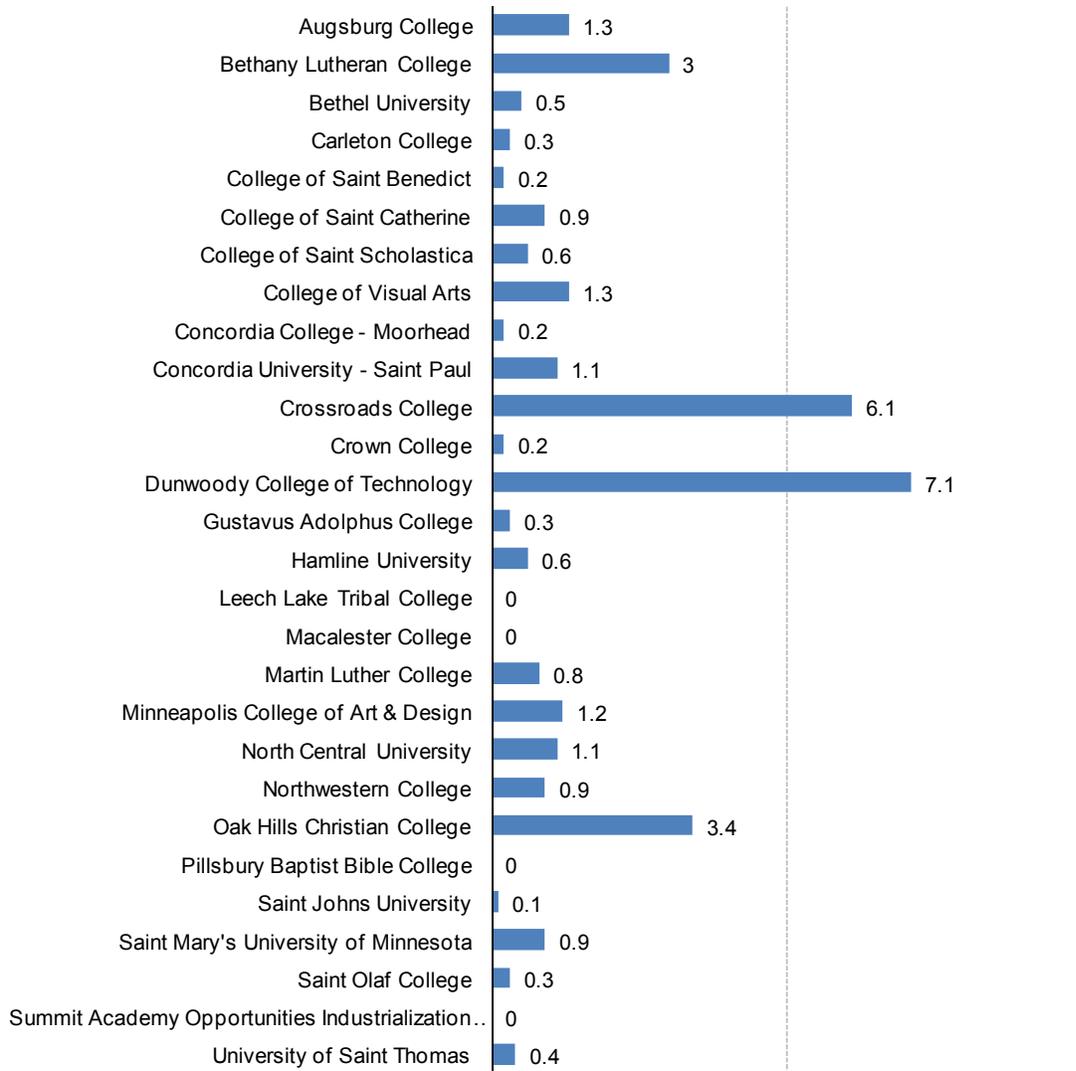
Minnesota Public Four-Year Universities 2006 Default Rates



Minnesota For-Profit Institutions 2006 Cohort Default Rates



Minnesota Not-for-Profit Institutions 2006 Cohort Default Rates



Minnesota Private Graduate Schools 2006 Cohort Default Rates

