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# Three-year cohort



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# Reauthorization – FY09 cohort

- Authorized the standard from a two year measurement to a three year measurement
- Increased from 10 percent to 15 percent – disbursement and study abroad exceptions
- Increased from 25 percent to 30 percent – program eligibility



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# What is a cohort?

- Group of borrowers who entered repayment in a FY\*
- Tracking borrowers entering repayment in that FY to determine if they defaulted in that FY or subsequent two FYs

\* FY2009: Oct. 1, 2008 – Sept. 30, 2009



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# Three-year cohort

- The cohort equation is:  
# borrowers entering repay in cohort FY and defaulted in the cohort FY or the subsequent two FYs \*

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# borrowers entered repay in the cohort FY\*\*

\* Oct. 1, 2008 – Sept. 30, 2011

\*\* Oct. 1, 2008 – Sept. 30, 2009



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# What's in the numerator?

- All cohort loans with a default date in the three-year cohort period – counted by borrower at your school
  - default for FFELP is determined by default claim payment date



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# Default timeline

- 60 days to establish the first payment
- 270 delinquency days
- 90 days for the lender to file a default claim
- 60+ days thereafter for the guarantor to review and pay the default claim

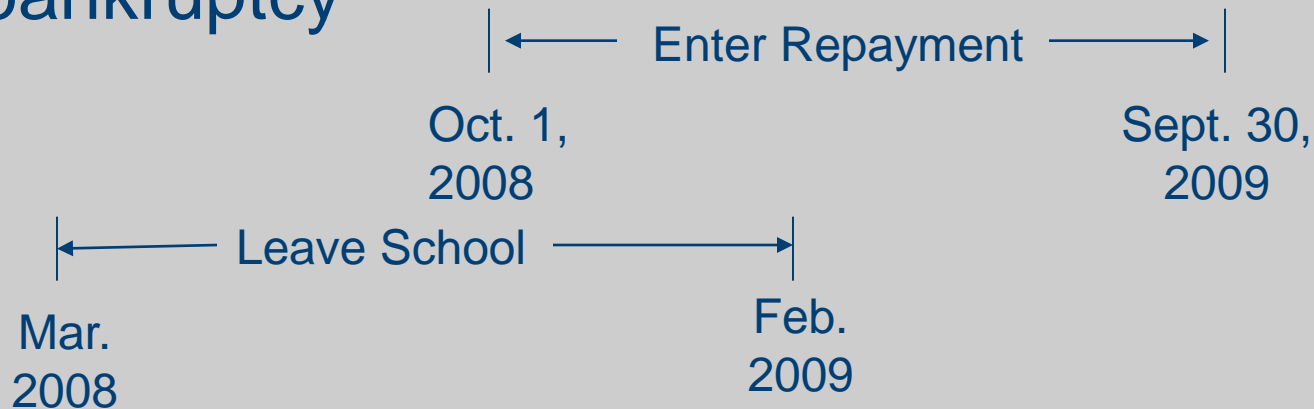


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# What's in the denominator?

- All loans entering repay in cohort year—counted by borrower
  - can include borrowers with loans deferred, forbore, rehabbed, death, disability and bankruptcy





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# The clock is ticking – now!

- FY2009 is the first three-year cohort rate  
numerator = 2009 + 2010+2011  
denominator = 2009  
default rate announced in 2012
- Calculated by ED based on NSLDS data



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# Cohort calculation dates

- Draft – typically first week of January and released mid-February
  - 45 days to appeal w/ guarantor for incorrect data
- Official – typically last week of July and released mid-September
  - 30 days to appeal w/ ED for uncorrected data adjustment (appealed after draft but did not get fixed in NSLDS)
  - 15 days to appeal w/ guarantor for new data adjustment (appeared one way in draft but is different in final)



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# What next?

- Expect your three-year cohort rate to be higher
- Be proactive:
  - ensure accurate NSLDS data
  - review your cohort data for accuracy
  - utilize NSLP's:
    - financial literacy
    - DAAR
    - CARS
    - cohort appeal service
    - News Briefs – Tools for Schools section



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# CARS on the web!



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# Questions?





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# Contact information

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