Grace College
School of Education
2019 EPP Annual Report
Outcome Measure # 8:
Student Loan Default Rates and Other Consumer Information

What is a cohort default rate?

For schools having 30 or more borrowers entering repayment in a fiscal year, the school's cohort default rate is the percentage of a school's borrowers who enter repayment on certain Federal Family Education Loans (FFELs) and/or William D. Ford Federal Direct Loans (Direct Loans) during that fiscal year and default (or meet the other specified condition) within the cohort default period. For schools with 29 or fewer borrowers entering repayment during a fiscal year, the cohort default rate is an "average rate" based on borrowers entering repayment over a three-year period.

The phrase "cohort default period" refers to the three-year period that begins on October 1st of the fiscal year when the borrower enters repayment and ends on September 30th of the second fiscal year following the fiscal year in which the borrower entered repayment. This is the period during which a borrower's default affects the school's cohort default rate.

Cohort default rates are based on federal fiscal years. Federal fiscal years begin October 1st of a calendar year and end on September 30th of the following calendar year. Each federal fiscal year refers to the calendar year in which it ends.

The phrase "cohort fiscal year" or "cohort year" refers to the fiscal year for which the cohort default rate is calculated. For example, when calculating the 2014 cohort default rate, the cohort fiscal year is FY 2014 (October 1, 2013 to September 30, 2014).

Which types of loans are included in the cohort default rate calculation?

The Department of Education includes the following loans in the cohort default rate calculation:

- Subsidized and unsubsidized Federal Stafford Loans (collectively referred to as Federal Stafford Loans)
- Federal Direct Subsidized Stafford/Ford Loans and Federal Direct Unsubsidized Stafford/Direct Loans (collectively referred to as Direct Stafford/Ford Loans)

Why are cohort default rates important?

Defaulted federal student loans cost taxpayers money. Cohort default rate sanctions and benefits provide an incentive to schools to work with their borrowers to reduce default. Sanctions also can prevent a school with a high percentage of defaulters from continuing to participate in the William D. Ford Federal Direct Loan (Direct Loan) and Federal Pell Grant programs. As a result, cohort default rates help save taxpayers money

Grace College Fiscal Year 2016 3-Year Cohort Default Rate

The U.S. Department of Education is responsible to release official cohort default rates once per year. The FY 2016 official cohort default rates were delivered to both domestic and foreign schools on September 25, 2019 and indicated the **FY 2016 national cohort default rate is 10.1% percent**, a 6.5% decline from the FY 2015 rate.

During the 2016 fiscal year (Oct. 1, 2015 to Sept. 30, 2016), 4,533,276 borrowers from 6,130 postsecondary institutions across the nation entered repayment, and 458,687 (10.1%) of them defaulted of their loans. For this same timeframe, the national public institution default rate fell from 10.3% in 2015 to 9.6% in 2016, the private institution default rate fell from 7.1% in 2015 to 6.6% in 2016, and proprietary institution default rate fell from 15.6% in 2015 to 15.2% in 2016.

The 2016 Official Cohort Default Rate by State/Territory reveals 167,360 Indiana borrowers, from 117 institutions, entered repayment and 23,839 of them defaulted on their loans resulting in an **Indiana borrower default rate of 14.2%.** In comparison to all other states and territories, Indiana reported one of the highest default rates in the nation, ranking 50th out of 54.

Comparatively, **Grace College and Seminary's FY 2016 borrower default rate of 2.6%** is well below that of the national and state default rates.

OPE ID	School	Type	Control	PRGMS		FY2016	FY2015	FY2014
001800	**GRACE COLLEGE AND THEOLOGICAL SEMINARY** 200 SEMINARY DRIVE WINONA LAKE IN 46590-1224	Master's Degree or Doctor's Degree	Private	Both (FFEL/FDL)	**Default Rate**	2.6	3.4	4.5
					No. in Default	12	15	19
					No. in Repay	454	431	419
					Enrollment figures	2,579	2,640	2,067
					Percentage Calculation	17.6	16.3	20.2

ENROLLMENT: To provide context for the Cohort Default Rate (CDR) data we include enrollment data (students enrolled at any time during the year) and a corresponding percentage (borrowers entering repayment divided by that enrollment figure). While there is no direct relationship between the timing of when a borrower entered repayment (October 1 through September 30) and any particular enrollment year, for the purpose of these data, we have chosen to use the academic year ending on the June 30 prior to the beginning of the cohort year (e.g., FY 2016 CDR Year will use 2014-2015 enrollment).

Estimated Average Salary of Educators in Public Schools

Estimated Average Annual Salary of Teachers in Public Elementary and Secondary Schools in Indiana and Surrounding States			
State	**2017-2018**	**2016-2017**	**Percent change from 2016-2017 to 2017-2018**
United States			
Kentucky	52,952	52,338	1.17
Ohio	58,000	58,202	0.35
Michigan	61,911	62,287	-0.60
Illinois	65,721	64,516	1.87
Indiana	50,614	50,218	0.79

\1\Constant dollars based on the Consumer Price Index (CPI), prepared by the Bureau of Labor Statistics, U.S. Department of Labor, adjusted to a school-year basis. The CPI does not account for differences in inflation rates from state to state.
NOTE: Some data have been revised from previously published figures. Standard errors are not available for these estimates, which are based on state reports.
SOURCE: National Education Association, Estimates of School Statistics, selected years, 1969-70 through 2016-17. (This table was prepared August 2017.)