

AGENDA ITEM SUMMARY

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Student Loan Program Update
Coordinating Board for Higher Education
December 15, 2016

DESCRIPTION

The purpose of this agenda item is to summarize recent activities of the MDHE guaranty agency.

Cohort Default Rates

Missouri's cohort default rate remained relatively stable, rising slightly from 11.3 to 11.5 percent for student loan borrowers who began repayment in 2012 and 2013, respectively. The 2013 rate is slightly higher than the national rate, which is 11.3 percent.

Missouri's rate is significantly lower than several surrounding states, including Oklahoma (12.5 percent), Arkansas (14 percent), and Kentucky (15.5 percent). Iowa and Tennessee's rates are similar to Missouri's, at 11.9 and 11.4 percent, respectively. Missouri's remaining neighbors had substantially lower rates, including Kansas (10.7 percent), Illinois (9.4 percent), and Nebraska (8.2 percent).

MDHE continues to work to keep Missouri's default rate low through efforts such as the MDHE Default Prevention Grant Program, Missouri Default Prevention Day, and financial literacy education programs. The Default Prevention Grant Program provides funding and support to Missouri higher education institutions. The grants are used for financial literacy programs and are awarded through a competitive grant process. Missouri Default Prevention Day is an annual event during which MDHE invites Missouri's financial aid professionals to learn about default prevention from industry experts. MDHE also promotes financial literacy through publications and school presentations for students and their families.

STATUTORY REFERENCE

N/A

RECOMMENDED ACTION

This is an information item only.

ATTACHMENT(S)

None