

OTTAWA UNIVERSITY HISTORICAL STUDENT LOAN DEFAULT RATES

Federal student loans (a.k.a. Federal Direct Loans) are loans made to students by the U.S. Department of Education to help students and families finance a college education. Just like with any loan, they must be repaid with interest. Failure to repay a loan can result in default.

Borrowers who default on their Federal student loans can be assigned to a collection agency, have their wages garnished, tax returns withheld, and Social Security benefits reduced. Federal student loans are typically not dischargeable through bankruptcy although some exceptions do exist.

The Federal government provides a number of remedies (e.g. various repayment options, deferments, forbearance) to assist borrowers in avoiding default. Loan Servicers are hired by the government to work with students throughout the repayment process and are in the best position to advise the borrower of their rights and responsibilities.

Institutions who assist students in obtaining student loans in order to pay for their education can be negatively affected if the percentage of borrowers exceeds a mandated threshold. Therefore, it is in the institutions interest to assist their students and the U.S. Department of Education avoid default.

The University's historical 3-year cohort default rates vs. the national cohort default rates are:

	<u>Ottawa</u>	<u>National</u>
2020	0.0%	0.0%
2019	1.9%	2.3%
2018	6.3%	7.3%

Additional data is available upon request by contacting the Director of Financial Aid.