



Be Proactive With Your Draft Cohort Default Rate

by [USA Funds](#)

By Kim Fish:



In the coming weeks, the U.S. Department of Education is due to release draft default rates for the 2013 cohort of borrowers. Take these steps before and after the release of those rates to proactively address your default rate issues.

Estimate your rate

If you use [USA Funds Borrower Connect™](#), you should have a good idea of what your draft cohort default rate will be. Reports in USA Funds Borrower Connect such as the Delinquency Aging Report and Cohort Default Rate Trending Report allow you to regularly check best-case and worst-case default figures and projected rates. With USA Funds Borrower Connect, you also can receive assistance with [analyzing your data to forecast default rate trends](#).

Even if you're not using USA Funds Borrower Connect to predict your cohort default rate, you can start analyzing your [default prevention progress](#) by considering the issues I covered in [Default Prevention Forum](#) following the release of the 2011 official rates.

Prepare to review

Once you've got a handle on what to expect from your draft rate, it's time to get ready for the release of the rate — and your review of the draft rate and the materials that accompany it.

If you're following the [January 2016 default prevention to-do list](#) that my colleague George Covino recently shared, then you're already planning the time you'll need to complete the review of your draft rate. Remember: Once you receive your draft cohort default rate, you have 45 calendar days to issue a challenge if you discover discrepancies.

The Department recommends reviewing draft cohort rate data as a [student loan default prevention best practice](#). In addition to helping identify potential draft rate challenges, the review also can pinpoint trends to address in retention and debt management plans.

USA Funds Borrower Connect users have access to a tool that helps simplify the draft cohort default rate review. You can apply the USA Funds Cohort Analysis ToolSM to the Electronic Loan Record Detail Report that's part of your draft cohort default rate materials. Use the tool to examine discrepancies that could change your rate, and uncover ways to target your default prevention efforts.

If you don't have USA Funds Cohort Analysis Tool, you still should take a careful look at your draft cohort default rate data. Compare it with information such as that from [National Student Loan Data System](#), lender or servicer data, and institutional records.

Learn more

If you'd like more information about estimating and reviewing your draft cohort default rates, [contact USA Funds®](#). And watch Default Prevention Forum next week for details about a Feb. 25 webcast that will help you create an action plan after receiving your draft rate.

How are you working to prepare for the release of draft cohort default rates? Do you regularly track your anticipated draft cohort rate? How do you review your draft cohort default rate materials? Please comment below.



Kim Fish is a USA Funds product manager.

[USA Funds](#) | January 21, 2016 at 1:33 pm | Tags: [cohort analysis tool](#), [Cohort Default Rate](#), [default prevention best practices](#), [Default Prevention Checklist](#), [USA Funds Borrower Connect](#) | Categories: [Tools and Solutions](#) |

