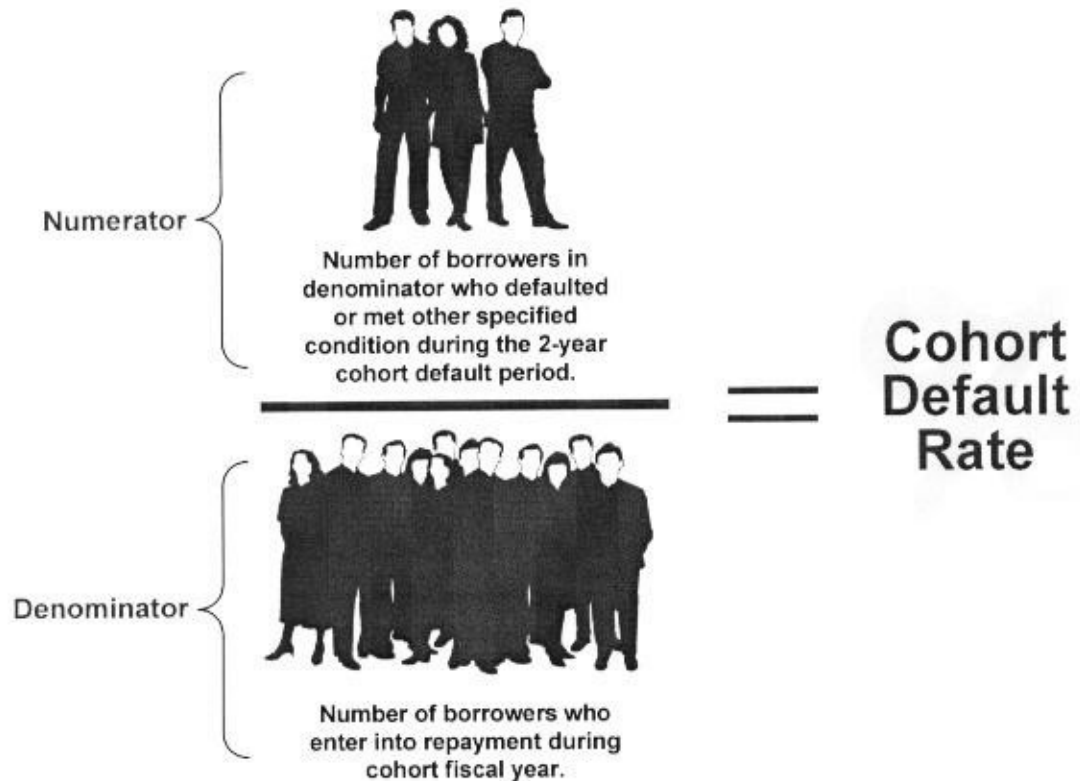


What is a cohort default rate?

A school's cohort default rate is the percentage of a school's federal student loan borrowers who enter repayment within the cohort fiscal year (denominator) and default (or met other specified condition) (numerator) within the cohort default period.¹



The components of the cohort default rate are discussed further starting on page 14 of this Quick Reference; a complete explanation of the cohort default rate can be found in Chapter 2.1 of the Guide. This includes:

- A description of the loans that are included,
- A definition of repayment and default,
- A complete discussion of the cohort default period, and
- The formula (non-average rate) used to calculate the cohort default rate for most schools, and the alternative formula (average rate) for schools with a low number of borrowers.

¹ A cohort fiscal year is the same as a federal fiscal year, which begins on October 1 of a year and ends on September 30 of the following year. The Cohort Default Period is the two-year period that begins on October 1 of the fiscal year when the borrower enters repayment and ends on September 30 of the following fiscal year.