



## Utah Higher Education Assistance Authority

Utah Student Loan Guarantee Program (LGP)  
Utah State Board of Regents Loan Purchase Program (LPP)  
Utah Centennial Opportunity Program For Education (UCOPE)  
Utah Educational Savings Plan Trust (UESP)

September 19, 2003

### **Student Loan Default Rates Hit All-Time Low of 5.4%; Utah's Loan Default Remains Below The National Average**

The national student loan default rate for Fiscal Year (FY) 2001 (the most recent data available) fell to the lowest point in history, with 5.4% of student loan borrowers reported as defaulting on their Federal Family Education Loans or Direct Loans, according to figures released by the U.S. Department of Education (ED). This all-time low rate for FY'01 follows a small increase last year, when default rates increased from 5.6% (FY'99) to 5.9% (FY'00). The national default rates peaked in 1990 at 22.4%. The data, provided by ED, represents "a snapshot in time of borrowers who began repaying their loans between Oct. 1, 2000 and Sept. 30, 2001, and who defaulted before Sept. 30, 2002."

ED also announced that for the first time in the history of the federal student loans programs, every school participating in the federal student loan program has a default rate low enough to remain eligible for federal assistance. Current law mandates that schools lose eligibility for federally funded student aid programs if default rates exceed 25% for three years in a row or 40% in any single year.

While the loan default rate for Utah schools increased slightly from FY'00, Utah's rate of 3.3% ranks 4<sup>th</sup> best in the nation behind South Carolina, New Hampshire and Vermont. The nine Utah System of Higher Education schools rates are:

College of Eastern Utah - 7.7%  
Dixie State College - 6.2%  
Salt Lake Community College - 5.5%  
Snow College - 5.2%  
Southern Utah University - 3.2%  
University of Utah - 2.3%  
Utah State University - 2.3%  
Utah Valley State College - 1.9%  
Weber State University - 4.0%

Executive Director of Utah Higher Education Assistance Authority (UHEAA), Chalmers Gail Norris said that "Utah's have a history of understanding the value of investing in their education. Part of the investment involves repaying student loan debt, and UHEAA's record of low student loan defaults reflect the importance Utah's students place on their education.

(more)

UHEAA has made it easier for student loan borrowers to avoid default by providing a Borrower Benefits program that is one of the best in the nation. Students who take advantage of the UHEAA Borrower Benefits receive significantly reduced fees and interest rates on their loans.”

Student loan borrowers who need assistance repaying their student loans should contact UHEAA, at 1-877-336-7378, to learn about the options available to avoid delinquency and default.

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For more information on this press release, contact Gail Norris at 321-7205.