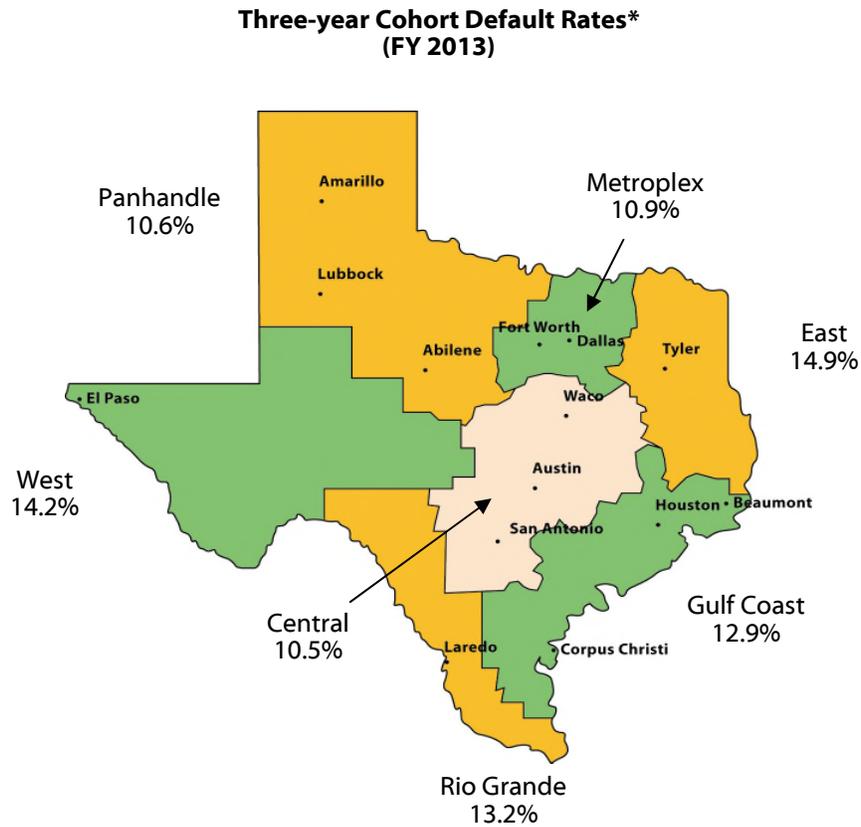


Texas Three-year Cohort Default Rates Vary by Region



The overall Fiscal Year (FY) 2013 three-year cohort default rate (CDR) for Texas was 12.6 percent (compared to 14.3 percent in FY 2012). Texas' FY 2013 CDR was 1.3 percentage points higher than the 11.3 default rate for the nation. Student loan default rates are higher in Texas despite lower than average total household debt per capita and lower delinquency rates on household debt.

Cohort default rates vary substantially from region to region. In FY 2013, every regional CDR that was lower than the overall Texas CDR was also lower than the national CDR. The CDRs for the different regions of Texas vary from 14.9 percent in the East Texas region to a low of 10.5 percent in the Central Texas region. All of the Texas regions experienced a decrease in the three-year default rates between FY 2012 and FY 2013 except for the West Texas region, where the CDR increased from 13.3 percent in FY 2012 after dropping from 15 percent in FY 2011. The largest difference was seen for schools in the Rio Grande Valley region, where the three-year CDR continued to fall from 16.9 percent in FY 2012 and 17.4 percent in FY 2011. The Metroplex region has remained the most constant, having fallen by only .1 percentage points in each of the last two fiscal years.

*A three-year cohort default rate is the percentage of student borrowers with loans entering repayment in a given fiscal year who default on their obligations during that given fiscal year or in the next two fiscal years that follow. For example, the FY 2013 cohort default rate is based on student borrowers who entered repayment during FY 2013 and subsequently defaulted by the end of FY 2015.

Source: U.S. Department of Education, Fiscal Year 2011 and Fiscal Year 2013 Three-Year Official Cohort Default Rates, Washington, D.C., 2016.

