Graduate loan default rate climbs

Although Truman students generally want school has managed to hold their heads up in the middle of the financial storm, more students are turning to the financial aid office for loans. For the 2008-09 financial year, Truman disbursed $13,470,048 in Federal Student Loans to more than 1,521 students. The financial aid office has managed to disburse money to all students in need, except for those with incomplete applications. The Department of Federal Student Aid also changed the methods used for calculating default rates, which could have resulted in some marginal distortions between the reported rates and actual default rates. The 2.5 percent default rate for Truman represents only 17 students out of 460 borrowers. Only 10 students failed to pay in 2005, and 14 in 2006. "Ours is lower than the state and national default rates, " said Elsea. "Based on the fact that the crisis has contin-ued through 2009, we can expect the same or greater default rates next year." 

In this case, she said the default rate would have to be interpreted with caution, and borrowers who are entering repayment may have a high default rate without necessarily rep-resenting a high amount of money. If there are exceptions this severe, she said students must be engaged in financial literacy initiatives to reduce high default rates.

Largely, Truman graduates are not among those who take out loans and borrowers who are entering repayment. In 1990, for instance, the national de-fault rate was 22.4 percent. It reached an all-time low in 2003, when it was 4.5 percent. The Department of Federal Student Aid’s benchmark of concern over defaults begins at 5 percent, but statistics obtained from the department this week show that U.S. students are doing much better with financial aid.

Knock back your allergies this severe until I moved to Kirksville.

"I have not had allergies this severe until I moved to Kirksville."