



\*\*\* Special Data Analysis \*\*\*

## *Federal Student Loan Default Rates*

Each year, the US Department of Education (USDOE) releases data on federal student loan default rates. Two-year default rates refer to *the percentage of federal student loan borrowers entering repayment in a given fiscal year who default on their loans by the end of the following fiscal year*. Across all institutional types, the FY2010 national cohort (those students entering repayment during FY2010) generated a cumulative loan default rate of 10.0%, compared to the 9.1% rate recorded for FY2009.<sup>1</sup>

The FY2010 default rate for all South Dakota colleges and universities was 8.2% (down from 8.5% last year), and ranked 13<sup>th</sup> lowest among all US states (ND was lowest, at 4.2%; NM was highest, at 15.4%). Over the last three years, SDBOR universities have recorded default rates well below those of the state's private, proprietary, and technical institutions (see Table 1). Over this period, SDSU generated the lowest three-year average default rate (2.9%), followed by SDSMT (3.9%), USD (4.8%), DSU (5.9%), BHSU (6.2%), and NSU (7.2%).

**Table 1**  
***Postsecondary Loan Default Rates for 2009-2011 (South Dakota only)***

<b><i>Institution Type</i></b>	<b><i>2009</i></b>	<b><i>2010</i></b>	<b><i>2011</i></b>	<b><i>3-Year Average</i></b>
<i>Private</i>	6.2%	6.1%	7.2%	6.5%
<i>Proprietary</i>	13.5%	14.9%	14.6%	14.3%
<i>Technical</i>	6.9%	10.8%	9.4%	9.0%
<i>Regental</i>	4.0%	5.2%	4.3%	4.5%
<b><i>All Types</i></b>	6.5%	8.5%	8.2%	7.7%

Table 2 shows additional default data in three-year average format. South Dakota's average default rate over the 2009-2011 period was 7.7%; this was substantially lower than the analogous national average of 9.3%. After segmenting these results by institutional type, it was found that the state's public institutions generated the lowest default rate across all sectors, ranking 8<sup>th</sup> lowest in the nation in this category.

**Table 2**  
***Postsecondary Loan Default Rates for 2009-2011 (3-Year Averages)***

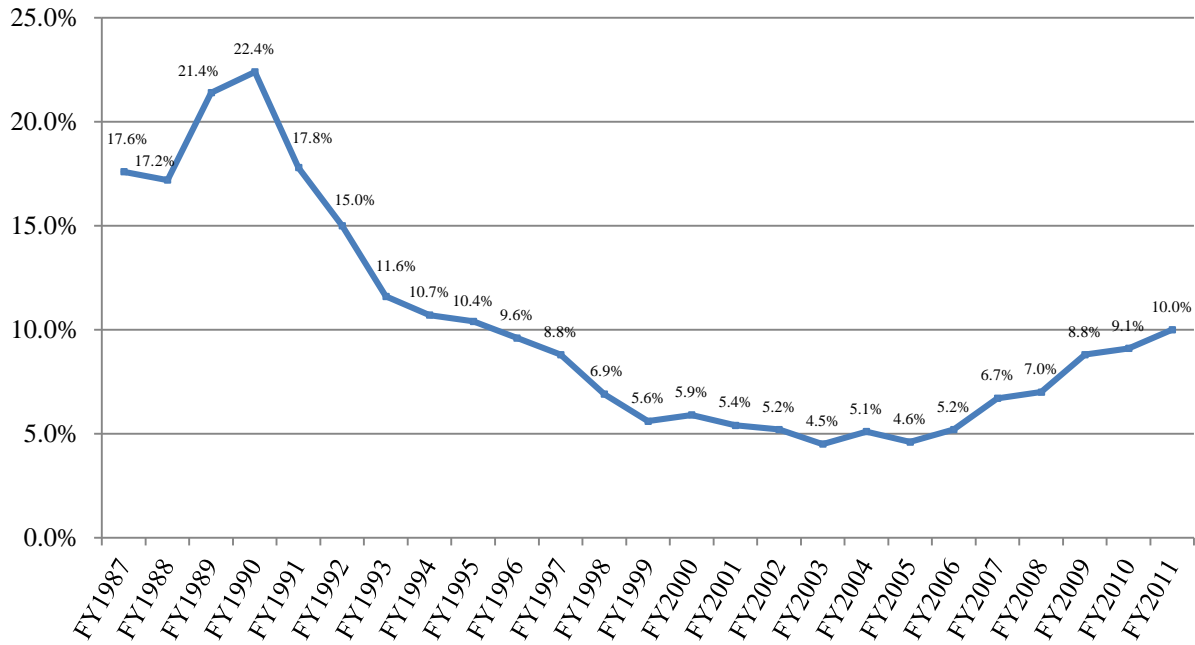
	<b><i>All Types</i></b>	<b><i>Private</i></b>	<b><i>Proprietary</i></b>	<b><i>Public</i></b>
<i>South Dakota</i>	7.7%	6.5%	14.3%	5.6%
<i>United States</i>	9.3%	4.8%	14.1%	8.4%
<i>SD State Rank</i>	23	36	36	8

<sup>1</sup> All figures presented in this report refer to fifty-state data only. Institutions in American Samoa, the District of Columbia, Guam, Palau, Puerto Rico, and the Virgin Islands were excluded. Data presented in this document may not correspond to those reported in earlier *SDBOR Fact Book* publications; whereas *Fact Book* tables historically have reported default rates in terms of *institutional averages*, the current document improves on this method by manually re-calculating default rates through cumulative institutional totals.

*Appendix A*  
*Supplemental Figures*

---

**Table A1. Two-Year Official National Student Loan Default Rates<sup>2</sup>**



---

<sup>2</sup> Reproduced from USDOE website. See <http://www2.ed.gov/offices/OSFAP/defaultmanagement/defaultrates.html>