

North Carolina State Education Assistance Authority

Guaranty Agency Quick Facts

Loans guaranteed

NCSEAA guaranteed **177,855** student and parent loans totaling **\$812,337,669** under the North Carolina Federal Family Education Loan Program (FFELP) during the 2008-09 state fiscal year.

Default rate

NCSEAA works closely with borrowers, with the lender College Foundation, Inc. (CFI), and with colleges and universities to prevent defaults in the Federal Family Education Loan Program (FFELP). Historically, NCSEAA has maintained one of the lowest default rates in the nation.

In September 2009 the U. S. Department of Education announced the official cohort default rates for federal fiscal year 2007 for guaranty agencies participating in FFELP. The cohort default rate is a calculation showing the percentage of borrowers whose loans entered repayment during the period October 1, 2006 through September 30, 2007 and whose loans defaulted prior to October 1, 2008. NCSEAA's cohort default rate of 2.96% is one of the lowest among the nation's guaranty agencies.

NCSEAA's "trigger default rate" also continues to be extremely low. A guaranty agency's "trigger default rate" is the ratio between the net amount of reinsurance received by the guarantor on default claims in a given fiscal year and the dollar amount of loans in repayment as of the end of the prior fiscal year. In March 2009 the U. S. Department of Education announced NCSEAA's "trigger default rate" for federal fiscal year 2008 as **1.60%**, one of the lowest in the nation among all guaranty agencies.

Recoveries

If borrowers default on their FFELP loans, NCSEAA has been very effective in recovering the outstanding debts. NCSEAA recovered **\$15,830,673** from defaulted FFELP borrowers during the 2007-08 federal fiscal year through such collection efforts as repayment agreements with borrowers, loan rehabilitation, wage garnishment, seizure of tax refunds, litigation and loan consolidation. NCSEAA's recovery rate for 2007-08 was **27.5%**.