



GEORGIA STUDENT FINANCE AUTHORITY

State Loan Cohort Default Rate Guide



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INTRODUCTION

What is the State Loan Cohort Default Rate Guide?

The State Loan Cohort Default Rate Guide is provided by the Georgia Student Finance Authority (GSFA) as a reference for postsecondary institutions (PSIs) in understanding cohort default rates (CDRs) for each of the current state loan programs and how GSFA calculates and uses these rates. This Guide will remain in effect until GSFA withdraws it, changes it or publishes other guidance. The most recent version of this Guide can be found in SURFER in the User Guides.

This Guide will assist in:

- Understanding how GSFA calculates the 3-year cohort default rate;
- Understanding the impact of your cohort default rate;
- Understanding how cohort default rates affect your institution's eligibility for students to receive the Student Access Loan (SAL);
- Understanding the process of submitting a request for status correction on reported cohort default rates; and
- Understanding cohort default rates for the current service cancelable loan programs GSFA administers.

The information contained in this Guide does not supersede or alter any of the program regulations.

Default Rates Covered in this Guide

This Guide covers cohort default rates for all active state loan types administered by GSFA. Loan types include:

- Student Access Loan (SAL); includes Student Access Loan-Technical (SALT)
- Georgia Military College State Service Scholarship/Service Cancelable Loan (GMCS)
- Scholarship for Engineering Education (SEE) Service Cancelable Loan
- Scholarship for Engineering Education for Minorities (MSEE) Service Cancelable Loan
- University of North Georgia Military College Service Cancelable Loan (GAML)
- Georgia National Guard (GANG) Service Cancelable Loan

Importance of Cohort Default Rates

State loans are funded by state general funds, proceeds from the Georgia Lottery for Education, or public and/or private donations.

Loans that default are essentially funds that are not returned to the state government and reduce available financial aid to other students.

Providing PSIs with their cohort default rates and participating requirements for state funded loan programs provide incentives for PSIs to assist borrowers in loan default prevention.

Terms Used in this Guide

Annual Interest Payments (SAL Only): The payment due annually by borrowers enrolled in school at least half time and on a deferment or forbearance. The amount of interest due for payment is the total amount of accrued interest up to the date of the billing cycle each year in April for loans disbursed prior to July 1, 2014.

Delinquent: Failure to make payments on the loan when it becomes due.

Default: A loan that is delinquent for 270 days.

Deferment: An approved period of time during repayment in which the borrower, upon meeting certain conditions, is not required to make payments on the loan.

- The specific deferments for the **Student Access Loan** are in-school, unemployment, economic hardship and active military. Interest continues to accrue on the loan during deferment for loans disbursed prior to July 1, 2014. Loans disbursed on or after July 1, 2014 do not accrue interest during deferment.
- The specific deferments for the **Scholarship for Engineering Education Service Cancelable Loan, Scholarship for Engineering Education for Minorities Service Cancelable Loan** and **Georgia National Guard Service Cancelable Loan** are in school, graduate fellowship, rehabilitation training, unemployment, economic hardship, active military and post-active duty student.

- The specific deferment for **University of North Georgia Military College Service Cancelable Loan** and **Georgia Military College State Service Scholarship Loan** is the in school deferment.

Forbearance: An approved period of time during repayment in which the borrower is permitted to temporarily cease making payments on the loan. Interest continues to accrue on the loan during the forbearance period.

Grace Period: The six month period after graduation or upon being enrolled less than half time before repayment begins.

Keep in Touch Payments (SAL Only) for loans disbursed on or after July 2014: The payment due monthly by borrowers enrolled in school at least half time in the amount of \$10 per loan.

Repayment: Period(s) of time during which payments of principal and/or interest are required.

Service Cancellation: The benefit that may be provided to certain borrowers who meet the requirements for work performed. See sections 4 and 5 in this Guide for more information.

SURFER: The web-based system used by Eligible Postsecondary Institutions to electronically transmit and receive student data, award information and conduct other administrative activities related to the scholarship, grant and loan programs administered by the Georgia Student Finance Commission (GSFC) and GSFA.

Chapter 2: Cohort Default Rate

Default Status

Once a student graduates, withdraws or drops to less than half time status, the student enters the grace period and then enters repayment after the grace period expires. When a payment is not made a borrower is considered delinquent. After being delinquent for more than 270 days, a loan is in default.

Cohort Default Rate (CDR)

Cohort default rate is the percentage of borrowers to enter repayment on their loan during the cohort fiscal year and the number of borrowers that default within the cohort default period.

Cohort Default Rate Period

The phrase “cohort fiscal year” or “cohort year” refers to the fiscal year the borrower entered repayment. The cohort default rate period is the cohort fiscal year and the two subsequent years.

The state fiscal year is from July 1 of a calendar year to June 30 of the following calendar year. A cohort fiscal year is from July 1 to June 30. The three (3) year period begins July 1 of the cohort fiscal year when the borrower enters repayment and ends on June 30 three (3) years later. During this period, a borrower that entered repayment during the cohort fiscal year and defaults during the cohort fiscal period will have an effect on the PSI's cohort default rate for that cohort year.

For example, when calculating the 2014 cohort default rate, the cohort fiscal year is FY 2014 (July 1, 2013 to June 30, 2014). The Cohort Default Period for FY 2014 Cohort Fiscal Year is July 1, 2013 – June 30, 2016.

Cohort Default Rate Formula

The formula used by GSFA for calculating the three year cohort default rate for each institution is based on the number of borrowers that received a loan from the institution that enter repayment in a particular cohort fiscal year and the number of borrowers that defaulted in the cohort default rate period.

The 3-year cohort default rate is based on the number of borrowers who enter repayment, not the number of loans that enter repayment. A borrower with multiple loans from the same institution whose loans enter repayment during the same cohort fiscal year will be included in the formula once for that cohort fiscal year.

Numerator: number of borrowers who enter repayment in the cohort fiscal year and default within the cohort year and the two subsequent years.

Denominator: number of borrowers who enter repayment in the cohort fiscal year.

The diagram illustrates the Cohort Default Rate formula. It consists of a light blue box on the left containing the text: "Numerator: number of borrowers who enter repayment in the cohort fiscal year and default within the cohort year and the two subsequent years". Below this box is a thick black horizontal line. Underneath the line is another light blue box containing the text: "Denominator: number of borrowers who enter repayment in the cohort fiscal year". To the right of these two boxes is an equals sign (=). Further to the right is a green box with a black border containing the text: "Cohort Default Rate".

$$\frac{\text{Numerator: number of borrowers who enter repayment in the cohort fiscal year and default within the cohort year and the two subsequent years}}{\text{Denominator: number of borrowers who enter repayment in the cohort fiscal year}} = \text{Cohort Default Rate}$$

Loans that have entered repayment and defaulted will be included in the cohort default rate calculation. A loan is considered in default when in a repayment status for more than 270 days delinquent.

The following loans **are not** included in the cohort default rate calculation:

- Loans that have defaulted on annual interest payments;
- Loans that are delinquent on Keep in Touch (KIT) payments; and,
- Loans that were issued at a merged institution.

Mergers of Institutions

Changes in a PSI's status has an impact on the calculation of the cohort default rate.

When two or more existing PSIs merge, loans made under the surviving institution's code are the loans for which the institution is held accountable. The loans made at the institution whose code is no longer surviving will not be included in the surviving institution's CDR.

Acquisitions of Institutions

When an existing PSI acquires another institution, the loans made under the surviving institution's code are the loans the institution is held accountable. The loans made at the institution whose code is no longer surviving will not be included in the surviving institution's CDR.

Cohort Default Rate Calculation

The GSFA official 3-year cohort default rate chart.

Cohort Fiscal Yr.	Preliminary/Final	<u>Borrowers in the numerator</u> Borrowers in the denominator	<u>3yr Time Period (Numerator)</u> 1yr Time Period (Denominator)
2014	September 2016 December 2016	Borrowers who entered repayment in 2014 and defaulted in 2014, 2015 or 2016. Borrowers who entered repayment in 2014	<u>7/1/2013- to 6/30/2016</u> 7/1/2013 to 6/30/2014
2015	September 2017 December 2017	Borrowers who entered repayment in 2015 and defaulted in 2015, 2016 or 2017 Borrowers who entered repayment in 2015	<u>7/1/2014 to 6/30/2017</u> 7/1/2014 to 6/30/2015
2016	September 2018 December 2018	Borrowers who entered repayment in 2016 and defaulted in 2016, 2017 or 2018 Borrowers who entered repayment in 2016	<u>7/1/2015 to 6/30/2018</u> 7/1/2015 to 6/30/2016
2017	September 2019 December 2019	Borrowers who entered repayment in 2017 and defaulted in 2017, 2018 or 2019 Borrowers who entered repayment in 2017	<u>7/1/2016 to 6/30/2019</u> 7/1/2016 to 6/30/2017
2018	September 2020 December 2020	Borrowers who entered repayment in 2018 and defaulted in 2018, 2019 or 2020. Borrowers who entered repayment in 2018	<u>7/1/2017 to 6/30/2020</u> 7/1/2017 to 6/30/2018
2019	September 2021 December 2021	Borrowers who entered repayment in 2019 and defaulted in 2019, 2020 or 2021 Borrowers who entered repayment in 2019	<u>7/1/2018 to 6/30/2021</u> 7/1/2018 to 6/30/2019
2020	September 2022 December 2022	Borrowers who entered repayment in 2020 and defaulted in 2020, 2021 or 2022 Borrowers who entered repayment in 2020	<u>7/1/2019 to 6/30/2022</u> 7/1/2019 to 6/30/2020
2021	September 2023 December 2023	Borrowers who entered repayment in 2021 and defaulted in 2021, 2022 or 2023 Borrowers who entered repayment in 2021	<u>7/1/2020 to 6/30/2023</u> 7/1/2020 to 6/30/2021

The table outlines the timeframes used when calculating cohort default rates for institutions for cohort fiscal years 2014 through 2021. The first column identifies the cohort fiscal year. The second column identifies the year the cohort default rate will be provided through SURFER. The third column identifies the borrowers included in the cohort default rate calculation for that cohort fiscal year. The fourth column shows the time periods used for the numerator and denominator from the third column.

Chapter 3: Default Rate Communication

Cohort Default Rate Schedule

GSFA will calculate cohort default rates for the Student Access Loan (SAL) Program and the active Service Cancelable Loan Programs twice a year.

A Preliminary CDR Report will be provided to PSIs by September 1 each year. The Preliminary CDR Report will be provided through SURFER.

Once the Preliminary CDR Report is provided annually, the institutions will have until October 31 to review the report and request any status corrections.

The Official CDR Report will be provided through SURFER and a letter will be mailed to the Financial Aid Director and President of the institution by December 15 of each year.

Who is Subject to the Cohort Default Calculation?

GSFA will provide the preliminary and official cohort default rate report annually for each state loan program to PSIs that have at least one borrower enter repayment in the cohort default rate period for a particular state loan program.

The Cohort Default Rate Report

The Cohort Default Rate Report will contain the individual institution's cohort default rate and a Detail Report. The Detail Report lists borrowers and loans that were used in the calculation of the PSIs preliminary and official cohort default rate.

The CDR Reports will be provided in SURFER in the *School Inbox*. The reports will be available to download as a pdf or a pipe-delimited file. The file layout for the pipe-delimited files is in SURFER under the *User Guides* section. The files cannot be viewed on screen. The files will be secure and must be downloaded and unzipped. The report naming format is as follows:

The Student Access Loan (SAL) Program Preliminary Report:

CDR###_PRELIMINARY_SAL_REPORT_MMDDYYYYHHMI.PDF

CDR###_PRELIMINARY_SAL_REPORT_MMDDYYYYHHMI.TXT

The Student Access Loan (SAL) Program Official Report:

CDR###_OFFICIAL_SAL_REPORT_MMDDYYYYHHMI.PDF

CDR###_OFFICIAL_SAL_REPORT_MMDDYYYYHHMI.TXT

The Service Cancelable Loan (SCL) Programs Preliminary Report:

CDR###_PRELIMINARY_SCL_REPORT_MMDDYYYYHHMI.PDF

CDR###_PRELIMINARY_SCL_REPORT_MMDDYYYYHHMI.TXT

The Service Cancelable Loan (SCL) Programs Official Report:

CDR###_OFFICIAL_SCL_REPORT_MMDDYYYYHHMI.PDF

CDR###_OFFICIAL_SCL_REPORT_MMDDYYYYHHMI.TXT

Note: The three digit number in the file name is the GSFA's assigned LSN of the individual institution.

Note: If the institution does not have a borrower to enter repayment during the cohort year, the institution will not receive a report for that program.

Individual School Cohort Default Rate & Detail Report Example on next page.

Report Type: Preliminary

School Name	School Code	Loan Type	Number of Borrowers In Repayment	Number of Borrowers In Default	Cohort Default Rate	Calculation			
SAMPLE SCHOOL	00XXXX	SAL	14	5	36.00%	# of borrowers in default / # of borrowers in repayment = cohort default rate			
SSN	Last Name	First Name	MI	Address	Loan Period	Loan Status	Out of Sch Date	Dt Entered Repayment	Default Date
	STUDENT 1			1004 SHORT ROAD, TUCKER GA 30084	08/13/2012 - 05/07/2013	Repayment	05/07/2013	11/08/2013	
	STUDENT 2A			2082 E EDGEWATERS WAY, TUCKER, GA 30084	08/01/2011 - 06/30/2012	Repayment	05/07/2013	11/08/2013	
	STUDENT 2B			2082 E EDGEWATERS WAY, TUCKER, GA 30084	08/13/2012 - 05/07/2013	Repayment	05/07/2013	11/08/2013	
	STUDENT 3			1821 NANTUCKET LANE TUCKER, GA 30084	08/13/2012 - 12/12/2012	Default	01/07/2013	07/08/2013	11/24/2014
	STUDENT 4			9874 FORSYTH DR TUCKER, GA 30084	08/15/2011 - 05/10/2012	Repayment	05/07/2013	11/08/2013	
	STUDENT 5			4455 CRESCENT BLVD TUCKER, GA 30084	08/13/2012 - 05/07/2013	Default	05/07/2013	11/08/2013	12/01/2014
	STUDENT 6			112 BRASELTON CIR TUCKER, GA 30084	08/13/2012 - 12/12/2012	Repayment	12/10/2013	08/11/2014	
	STUDENT 7			6447 FOGGY MOUND RD TUCKER, GA 30084	08/01/2011 - 08/01/2012	Repayment	05/07/2013	11/08/2013	
	STUDENT 8			87 HWY 119 WEST TUCKER, GA 30084	10/08/2011 - 06/01/2012	Repayment	12/10/2013	06/11/2014	05/21/2015
	STUDENT 9A			281 SALTWATER TRAIL TUCKER, GA 30084	08/13/2012 - 05/07/2013	Default	12/10/2013	06/11/2014	05/21/2015
	STUDENT 9B			281 SALTWATER TRAIL TUCKER, GA 30084	01/01/2012 - 05/15/2012	Default	12/10/2013	06/11/2014	
	STUDENT 10			123 MY STREET TUCKER GA 30084	08/13/2012 - 05/07/2013	Repayment	05/07/2013	11/08/2013	
	STUDENT 11			2282 WASHINGTON SQUARE TUCKER GA 30084	08/01/2011 - 07/30/2012	Default	12/10/2013	06/11/2014	01/28/2018
	STUDENT 12			904 SUMMIT DRIVE TUCKER GA 30084	08/13/2012 - 05/07/2013	Repayment	05/07/2013	11/08/2013	
	STUDENT 13A			55198 HASSELFREE WAY TUCKER GA 30084	08/13/2012 - 05/07/2013	Repayment	12/10/2013	08/11/2014	
	STUDENT 13B			55198 HASSELFREE WAY TUCKER GA 30084	07/15/2013 - 06/23/2014	Repayment	12/10/2013	08/11/2014	
	STUDENT 14			90 ST CLOUD CHURCH RD TUCKER GA 30084	08/13/2012 - 05/07/2013	Default	05/07/2013	11/08/2013	10/28/2015

Borrowers may have more than 1 loan enter repayment within the cohort year

Address in red has proven to not be valid or current for GSFA. Provide address corrections through the *Request for Status Correction* form.

Out of School Date is date borrower graduated, withdrew or dropped below half-time enrollment

Reading the Cohort Default Rate Report

The following information is contained within the report:

School Default Cohort Rate Information

- *Report Title* indicates the cohort default rate year being reported
- *Report Type* represents the Preliminary or Official CDR report
- *School Name* list the name of the institution that certified/originated the loan
- *School Code* will be the Office of Postsecondary Education Identifier (OPEID) of the school that certified/originated the loan
- *Loan Type* indicates the state loan program of the report
- *Number of Borrowers in Repayment* lists the number of borrowers that entered into repayment that cohort fiscal period being reported
- *Number of Borrowers in Default* lists the number of borrowers that defaulted on their loan for that cohort fiscal year
- *Cohort Default Rate* is the cohort default rate for the PSI
- *Calculation* lists the formula used to calculate the cohort default rate

Cohort Default Rate Borrower Loan Detail Information

- *SSN* lists the student's social security number
- *Last Name* lists the student's last name
- *First Name* lists the student's first name
- *MI* lists the student's middle initial
- *Address* lists the student's address on file with GSFA loan servicing; **Note:** An address in red indicates the last known address GSFA has for the borrower and it is proven not valid.
- *Loan Period* lists the period of time the loan was certified; **Note:** Prior to the 2013-2014 year, the loan period was determined by the institution. For 2013-2014 and after, the loan period dates are preset within the actual loan period and fiscal year.
- *Loan Status* will identify the status of the loan at the time the cohort default rate report was generated
- *Out of School Date* lists the date the borrower graduated, withdrew or dropped below half time status
- *Date Entered Repayment* lists the date following grace period of the borrower graduating, withdrawing or dropping below half time status
- *Default Date* is the date the student defaulted on the loan.

Determining Whether the Report Data is Accurate

It is important for an institution to review the *Preliminary* Report for accuracy. In reviewing the preliminary report for accuracy, it is important to compare the borrower loan detail report to the institution's enrollment records and other student data. Look for areas such as:

- Borrowers listed on the CDR Report that are not included in the student records.
- Borrowers within student records that are not included in the CDR Report.
- Enrollment dates listed that differ from student records.
- The Contact Address GSFA has on file differs from the most recent address the institution has on file.

GSFA provides the PSI with an opportunity to review the preliminary data and, if necessary, work with GSFA to correct any errors. Should a PSI find an error in the report, the institution may submit a Request for Status Correction Form. All Request for Status Correction forms must be submitted by close of business October 31. The Request for Status Correction Form is located in SURFER in the *Forms* section and must be submitted by email to SALCDR@gsfc.org.

Upon review of the status correction request, GSFA will notify the PSI of the outcome of the review. The PSI is responsible for reporting data corrections to the National Student Clearinghouse. Approved corrections will be made prior to the institution's official rate being calculated.

It is important to review the *Official* Cohort Default Report provided by December 15 each year. Changes and appeals to the official rate may not be requested.

Will a *Preliminary* and *Official* Cohort Default Rate be the same?

GSFA will use the official SAL CDR rate to determine whether the PSI meets the required cohort default rate minimum and whether corrective actions are required. The official SAL CDR rate can result in the PSIs ineligibility to participate in the SAL Program.

The preliminary and official CDR Report may not be the same, if between the period of the preliminary report in September and official report in December:

1. GSFA receives updated enrollment data from the National Student Clearinghouse; or
2. A Request for Status Correction form provided to GSFA from the PSI is approved and affects the borrower's status.

Chapter 4: SAL Cohort Default Rate

SAL Cohort Default Rate Requirement

For a PSI to be eligible to participate in the SAL program, the institution must:

- *If the cohort population has 30 or more borrowers entering repayment during the cohort fiscal year, maintain a cohort default rate of 30 percent or less.*
- *If the cohort population has 29 or fewer borrowers entering repayment during the cohort fiscal year, maintain a cohort default rate of 50 percent or less.*

Impact of SAL Cohort Default Rate on SAL Program Eligibility

The following table describes the impact on eligibility for participation in the SAL Program for PSIs that fail to meet the CDR requirement for consecutive fiscal years.

Cohort Default Rate over 30%/50%	CDR Year 2014 Provided Fall 2016	CDR Year 2015 Provided Fall 2017	CDR Year 2016 Provided Fall 2018	CDR Year 2017 Provided Fall 2019	CDR Year 2018 Provided Fall 2020
1 st year failing to meet requirement	Informational Only	Default Management Plan Required	Default Management Plan Required	Default Management Plan Required	Default Management Plan Required
2 nd year failing to meet requirement			Placed on 2 Year Probation	Placed on 2 Year Probation	Placed on 2 year Probation
3 rd year failing to meet requirement				2nd Year of 2 Year Probation	2nd Year of 2 Year Probation
4 th year failing to meet requirement					No longer eligible to participate

Eligibility correction action and penalties apply beginning cohort fiscal year 2015 (FY 2018). The first year an institution could no longer be eligible to participate in SAL is FY 2021.

SAL Default Management Plan

Institutions with an official cohort default rate above the allowed rate based on the number of borrowers entering repayment will be required to submit a Default Management Plan by March 31 following the notification of the Official Cohort Default Rate in December.

Institutions required to implement a SAL Default Management Plan should include the following activities in the plan:

- Enhanced Entrance Counseling
- Financial Literacy for Borrowers
- Communication across Campus
- Exit Counseling
- Timeline and Accurate Enrollment Reporting
- Late Stage Delinquency Assistance (LSDA)
- Loan Record Detail Report (LRDR) Data Review
- Analyze Defaulted Loan Data to Identify Defaulter Characteristics

The default management plan should be implemented in an effort to reduce borrower delinquency and default. Upon approval of the SAL Default Management Plan, the institution will be allowed to continue to participate in the Student Access Loan (SAL) Program.

The default management plan must be implemented in the upcoming fiscal year.

PSI Requirements during Probationary Period

Institutions with a second year of a cohort default rate above the allowed rate will be placed on a 2 year probationary period. The institution must be adhering to their approved SAL Default Management Plan. The institution may continue to participate in the Student Access Loan Program.

Loss of Eligibility

After the two year probationary period if the institution's SAL Cohort Default Rate remains above the allowed rate, the institution will no longer be eligible to participate in the Student Access Loan Program the upcoming fiscal year.

GSFA is considering reinstatement requirements. Information to be provided once available.

Service Cancellation and Loan Discharge Options for SAL

Note: See appropriate program year regulations and promissory note for complete service cancellation and loan discharge details.

Service Cancellation for Borrowers:

- For each academic year worked as a **STEM (Science, Technology, Engineering and Mathematics)** teacher in a Georgia Public School System the borrower may request service cancellation of:
 - Up to one corresponding year of loans borrowed under this program if the borrower worked full time.
 - Up to one half of the corresponding year of loans borrowed under this program if the borrower worked part time (90-135 days).
- For each calendar year worked in **public service**, the borrower may request service cancellation of up to:
 - \$750 per year for loans disbursed from July 1, 2012 to June 30, 2015.
 - Up to one corresponding year of loans borrowed for loans disbursed on or after July 1, 2015.
- **Public service** is defined as:
 - a. Service as an employee of any of the following: the State of Georgia; an agency or instrumentality of this state; the executive, legislative, or judicial branch of government of this state; a political subdivision of this state; the University System of Georgia or any unit of the university system; an

authority or public corporation of this state; a local board of education of this state; or an agency or instrumentality of a political subdivision of this state.

- b. An employee that works for a city, town, county, school district, water district, park district etc. in the state of Georgia is considered a public service employee and may be eligible for service cancellation. An employee that works for an agency of the federal government would not be eligible for public service cancellation.
- Loans disbursed on July 1, 2011 to June 30, 2012 are not eligible for service cancellation for working as an employee in public service.
 - The borrower can request service cancellation at any time during the repayment period but the student must request service cancellation within **twelve (12) months** of completing the qualifying term of service.
 - The borrower may be eligible for service cancellation of either the STEM teaching or the public service option, but not both within the qualifying term of service.
 - No portion of any loan may be canceled for service performed before the date the loan was disbursed or during the loan period for which the loan was received.

Loan Discharge for borrowers that attended an eligible TCSG institution

The borrower may request a loan discharge for a portion or all of a loan(s) based on academic performance. The borrower must submit a request for loan discharge to GSFA and meet eligibility requirements including, but not limited to:

- Graduating from the program of study for which they received SAL; and
- Graduate with a minimum postsecondary cumulative GPA of 3.5
- The borrower must submit the request for discharge and applicable documentation within 6 months of the completion of the program of study.

Chapter 5: Service Cancelable Loan Cohort Default Rate

Service Cancelable Loan Types Reported

The 3-year cohort default rate for the following state loans will be provided.

- Georgia Military College State Service Scholarship/Service Cancelable Loan (GMSC)
- Scholarship for Engineering Education (SEE) Service Cancelable Loan
- Scholarship for Engineering Education for Minorities (MSEE) Service Cancelable Loan
- University of North Georgia Military College Service Cancelable Loan (GAML)
- Georgia National Guard (GANG) Service Cancelable Loan

If the institution does not participate in the loan program or no borrower for the institution enters repayment during the cohort year, the institution will not receive a report for the service cancelable loan program.

What Does the Service Cancelable Loan Cohort Default Rate Mean?

The cohort default rates provided for service cancelable loans are being provided for informational purposes only. Currently, there is not a required cohort default rate for service cancelable loans. The information should be used as a tool to prevent default and encourage students to take advantage of their service credit loan options.

Service Cancellation and Loan Discharge Options for Service Cancelable Loan Programs

Service Cancellation

- **Georgia Military College State Service Scholarship/Service Cancelable Loan (GMCS):** To receive service cancellation the borrower must serve on active duty in the Georgia National Guard or if approved by the adjutant general, the borrower can serve in the United States Armed Forces. The service obligation corresponds to the period or number of years of the scholarship award.
- **Scholarship for Engineering Education (SEE):** To receive service cancellation the borrower must be employed on a full time basis in an engineering related field in Georgia. The borrower must be physically located and working at a Georgia site. The service obligation corresponds to one year for each \$3,500 awarded. The service obligation must be fulfilled within six years of completing the engineering baccalaureate degree.
- **Scholarship for Engineering Education for Minorities Service Cancelable Loan (MSEE):** To receive service cancellation the borrower must be employed on a full time basis in an engineering related field in Georgia. The borrower must be physically located and working at a Georgia site. The service obligation corresponds to one year for each \$3,500 awarded. The service obligation must be fulfilled within six years of completing the engineering baccalaureate degree.
- **University of North Georgia Military Service Cancelable Loan (UNG):** To receive service cancellation the borrower shall accept a commission as a second lieutenant and serve as a commissioned officer in the Army National Guard or if approved by the adjutant general, as a commissioned officer on active duty in the United States Army. The service obligation corresponds to the period or number years of the scholarship award.

- **Georgia National Guard (GANG) Service Cancelable Loan:** To receive service cancellation the borrower must maintain good military standing as a member of the Georgia National Guard during the term(s) in which the borrower receives the loan funds. In addition to being in the National Guard the borrower must maintain a 2.0 grade point average for the period in which the borrower receives the loan funds.