



A Report on Federal Student Loans in Arkansas

August 2015

Presented by:

Tony Williams, ASLA Executive Director





Total Student Loan Debt

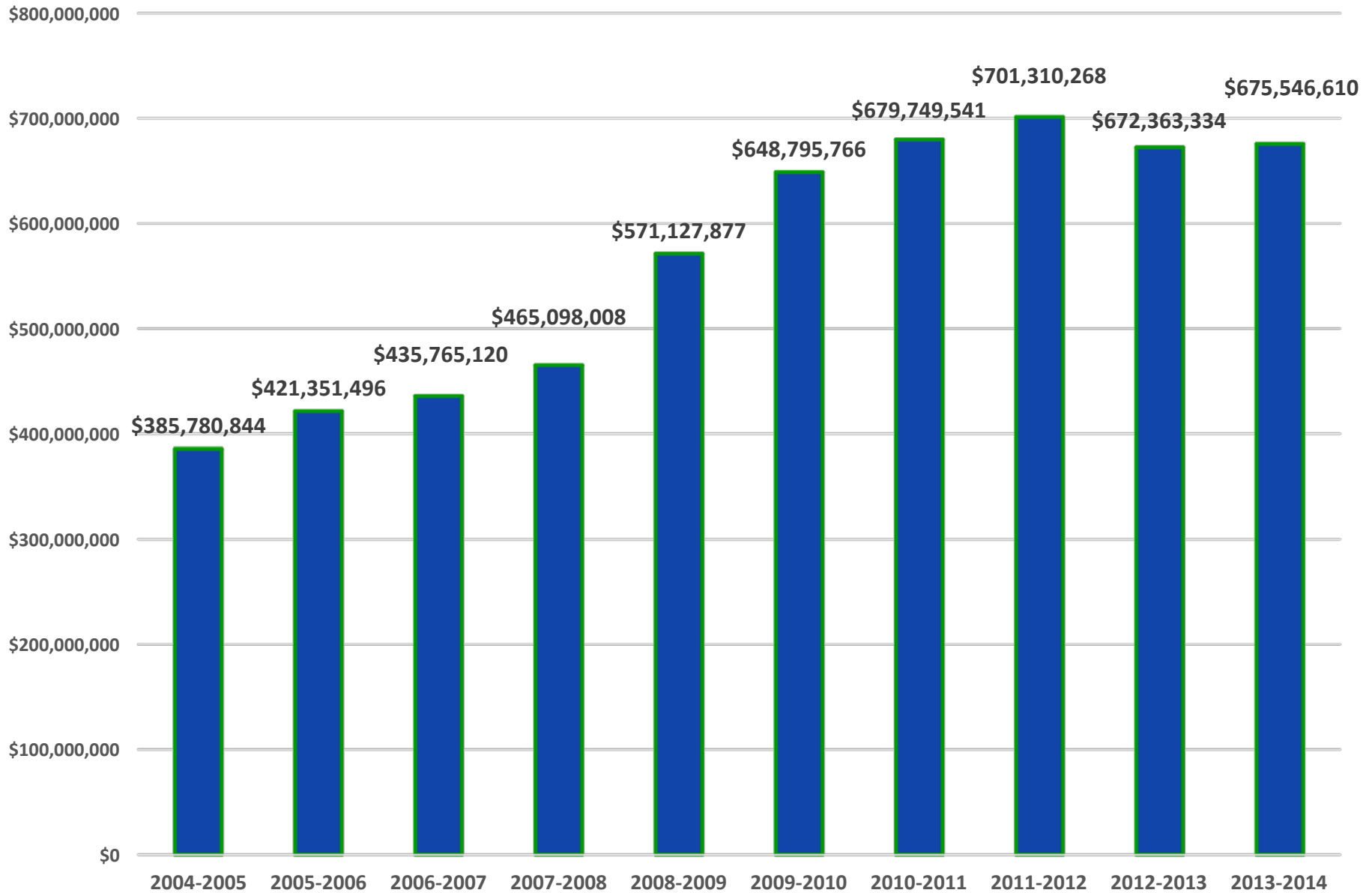
NATIONAL: **\$ 1.19 Trillion**

Source: Federal Reserve Bank of New York / 1st Qtr 2015

ARKANSAS: **\$ 9.02 Billion**

Source: U.S. Department of Education / January 2015

Federal Student Loans Originated Through Arkansas Higher Education Institutions 2004-2014



Private Student Loans

- Private student loan volume is typically 5% - 8% of Federal Student Loans originated
- **Estimated** amount of private student loan volume in Arkansas during 2013-14 academic year =
\$33,750,000? (5% of \$675 million)

Comparing: Enrollment, Academic Challenge & Federal Student Loans

Academic Year	Annual Unduplicated Enrollment	Net Change	Academic Challenge (Lottery Scholarship)	Net Change	Federal Student Loan Volume	Net Change
2009	197,805		\$20,753,900		\$571,127,877	
2010	211,829	7.1%	\$21,911,281	5.6%	\$648,795,766	13.6%
2011	217,723	2.8%	\$122,726,998	460.1%	\$679,749,541	4.8%
2012	221,552	1.8%	\$129,056,324	5.2%	\$701,310,268	3.2%
2013	217,318	-1.9%	\$130,203,454	0.9%	\$672,363,334	-4.1%
2014	210,810	-3.0%	\$112,720,279	-13.4%	\$675,546,610	0.5%

Student Loan Debt of 2013 Graduates attending 4-Year Institutions

- Arkansas Average: \$25,375
 - State Ranking: 31st Highest
- National Average: \$28,400
- Proportion of students with debt / AR: 55%
- Proportion of students with debt / Nat.: 69%

Source: The Project on Student Debt is an initiative of The Institute for College Access & Success, which has licensed these debt data through an agreement with Peterson's.

Federal Student Loan Volume by Institution

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Institution (highest to lowest)	Academic Year 2013-14	Academic Year 2012-13	% Change
University of Arkansas	\$ 98,384,950	\$ 94,826,092	3.8%
Arkansas State University	\$ 77,516,150	\$ 78,272,599	-1.0%
University of Arkansas at Little Rock	\$ 60,146,501	\$ 59,694,081	0.8%
Pulaski Technical College	\$ 49,763,258	\$ 63,207,451	-21.3%
University of Central Arkansas	\$ 49,632,972	\$ 46,939,988	5.7%
Harding University	\$ 48,091,028	\$ 47,704,100	0.8%
University of AR for Medical Sciences	\$ 45,454,582	\$ 41,209,455	10.3%
Arkansas Tech University	\$ 38,667,384	\$ 32,896,949	17.5%
Henderson State University	\$ 17,661,341	\$ 17,857,018	-1.1%
Northwest Arkansas Community College	\$ 17,575,667	\$ 19,922,926	-11.8%
John Brown University	\$ 15,349,458	\$ 13,832,575	11.0%
University of Arkansas at Pine Bluff	\$ 14,619,402	\$ 15,227,142	-4.0%
University of Arkansas at Fort Smith	\$ 14,313,641	\$ 15,590,090	-8.2%
Southern Arkansas University	\$ 14,146,931	\$ 12,983,613	9.0%
University Of Arkansas at Monticello	\$ 13,361,171	\$ 13,995,806	-4.5%
National Park Community College	\$ 8,825,681	\$ 9,700,248	-9.0%
Arkansas Baptist College	\$ 7,325,650	\$ 7,672,120	-4.5%
Hendrix College	\$ 6,695,663	\$ 6,828,968	-2.0%
Ouachita Baptist University	\$ 6,114,266	\$ 5,689,525	7.5%
Baptist Health Schools - Little Rock	\$ 5,598,478	\$ 5,796,060	-3.4%
South Arkansas Community College	\$ 4,828,276	\$ 5,025,214	-3.9%
Philander Smith College	\$ 4,791,131	\$ 5,083,539	-5.8%
Black River Technical College	\$ 4,460,385	\$ 5,401,141	-17.4%
Central Baptist College	\$ 4,112,994	\$ 3,812,173	7.9%
Ozarka College	\$ 3,922,339	\$ 5,116,106	-23.3%
University of AR Comm College At Morrilton	\$ 3,801,372	\$ 3,676,785	3.4%
Shorter College	\$ 3,427,481	\$ 827,544	314.2%
North Arkansas College	\$ 3,394,434	\$ 3,979,019	-14.7%
Lyon College	\$ 2,761,368	\$ 2,945,563	-6.3%
Imagine - Paul Mitchell Partner School	\$ 2,690,689	\$ 2,398,713	12.2%
Arkansas State University – Beebe	\$ 2,636,457	\$ 3,213,276	-18.0%
University of the Ozarks	\$ 2,185,129	\$ 2,167,780	0.8%

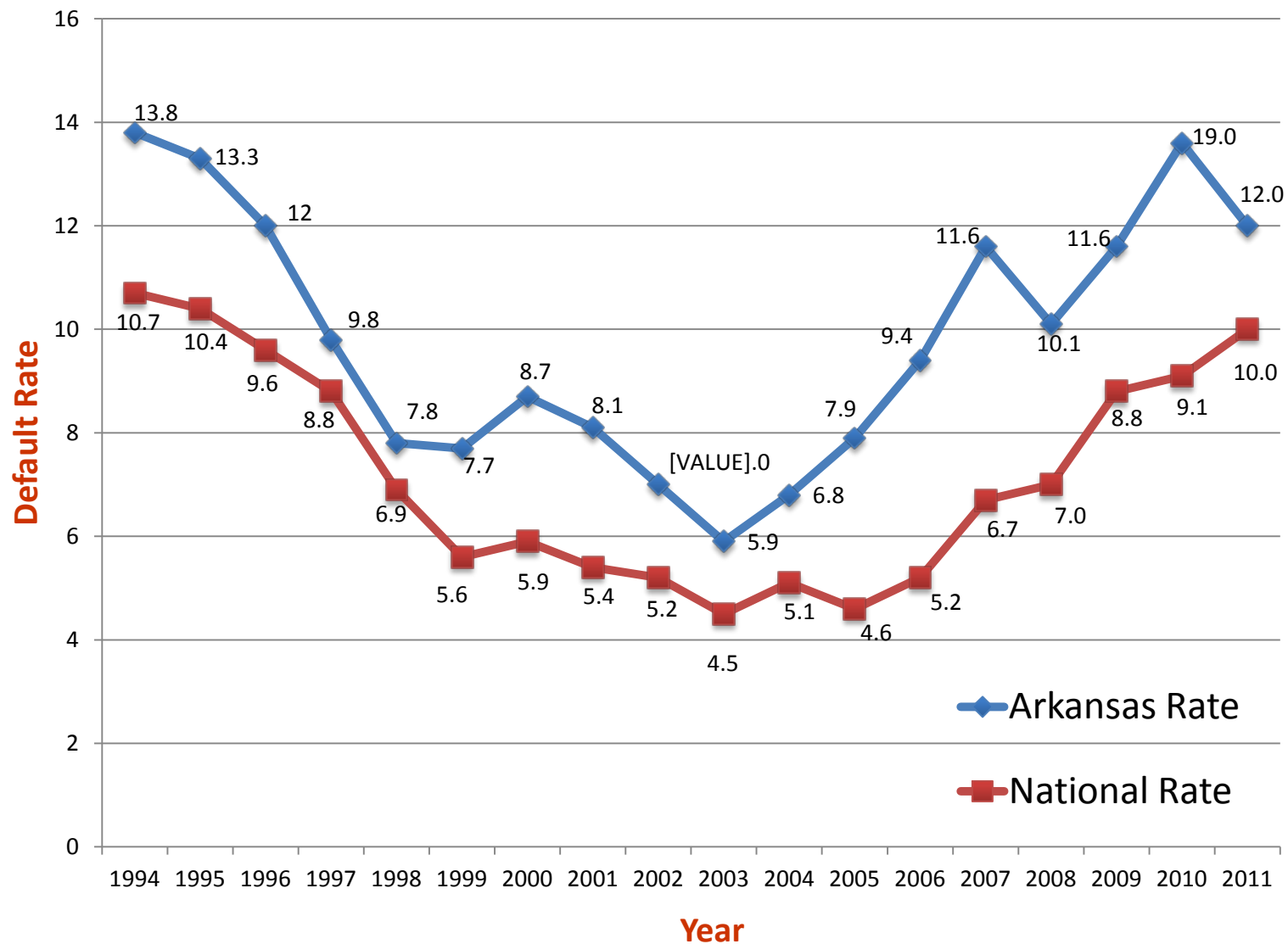
Federal Student Loan Volume by Institution

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Institution (highest to lowest)	Academic Year 2013-14	Academic Year 2012-13	% Change
Williams Baptist College	\$ 2,088,952	\$ 2,105,087	-0.8%
Southeast Arkansas College	\$ 2,074,289	\$ 2,061,188	0.6%
College of the Ouachitas	\$ 1,842,960	\$ 1,371,073	34.4%
University of AR Comm. College At Batesville	\$ 1,750,090	\$ 1,929,590	-9.3%
Eastern College of Health Vocations	\$ 1,602,945	\$ 1,216,621	31.8%
Arkansas State University – Newport	\$ 1,477,297	\$ -	
Career Academy of Hair Design	\$ 1,396,517	\$ 1,584,429	-11.9%
Arkansas College of Barbering & Hair Design	\$ 1,164,659	\$ 694,352	67.7%
Southern Arkansas University Tech	\$ 1,076,204	\$ 1,101,239	-2.3%
Arthur's Beauty College	\$ 871,539	\$ 872,750	-0.1%
Crowley's Ridge College	\$ 821,797	\$ 734,436	11.9%
Washington Barber College	\$ 699,866	\$ 629,907	11.1%
Paul Mitchell The School	\$ 694,693	\$ 516,670	34.5%
Ecclesia College	\$ 681,792	\$ 535,501	27.3%
JRMC School of Nursing	\$ 676,179	\$ 399,515	69.2%
Salon Professional Academy (The)	\$ 579,769	\$ 477,569	21.4%
Academy of Salon And Spa	\$ 547,311	\$ 420,712	30.1%
Arthur's Beauty College	\$ 390,985	\$ 100,051	290.8%
Arkansas Beauty School	\$ 323,161	\$ 283,167	14.1%
ABC Beauty College	\$ 297,755	\$ 243,675	22.2%
Professional Cosmetology Education Center	\$ 292,256	\$ 205,316	42.3%
Searcy Beauty College	\$ 247,393	\$ 307,802	-19.6%
Designer Barber & Stylist School	\$ 246,358	\$ -	
Arkansas Beauty College	\$ 204,680	\$ 143,245	42.9%
New Tyler Barber College	\$ 202,903	\$ 202,197	0.3%
Arkansas Beauty School/Conway	\$ 187,828	\$ 156,132	20.3%
Crossett School Of Cosmetology	\$ 173,793	\$ 102,307	69.9%
Margaret's Hair Academy	\$ 170,938	\$ 93,799	82.2%
Phillips Comm. College of the University Of AR	\$ 147,750	\$ 214,200	-31.0%
East Arkansas Community College	\$ 142,283	\$ 215,494	-34.0%
Lees School Of Cosmetology	\$ 136,689	\$ 109,991	24.3%
Hot Springs Beauty College	\$ 77,000	\$ 73,300	5.0%
Lynndale Fundamentals Of Beauty School	\$ 1,750	\$ 14,000	-87.5%
University of AR Comm. College At Hope	\$ -	\$ 167,046	-100.0%
Totals	\$ 675,546,610	\$ 672,776,020	0.4%

Arkansas vs. National 2-YEAR Cohort Default Rate

(2-Year Rate is no longer calculated & tracked by USDE)



ASLA Default Management Services

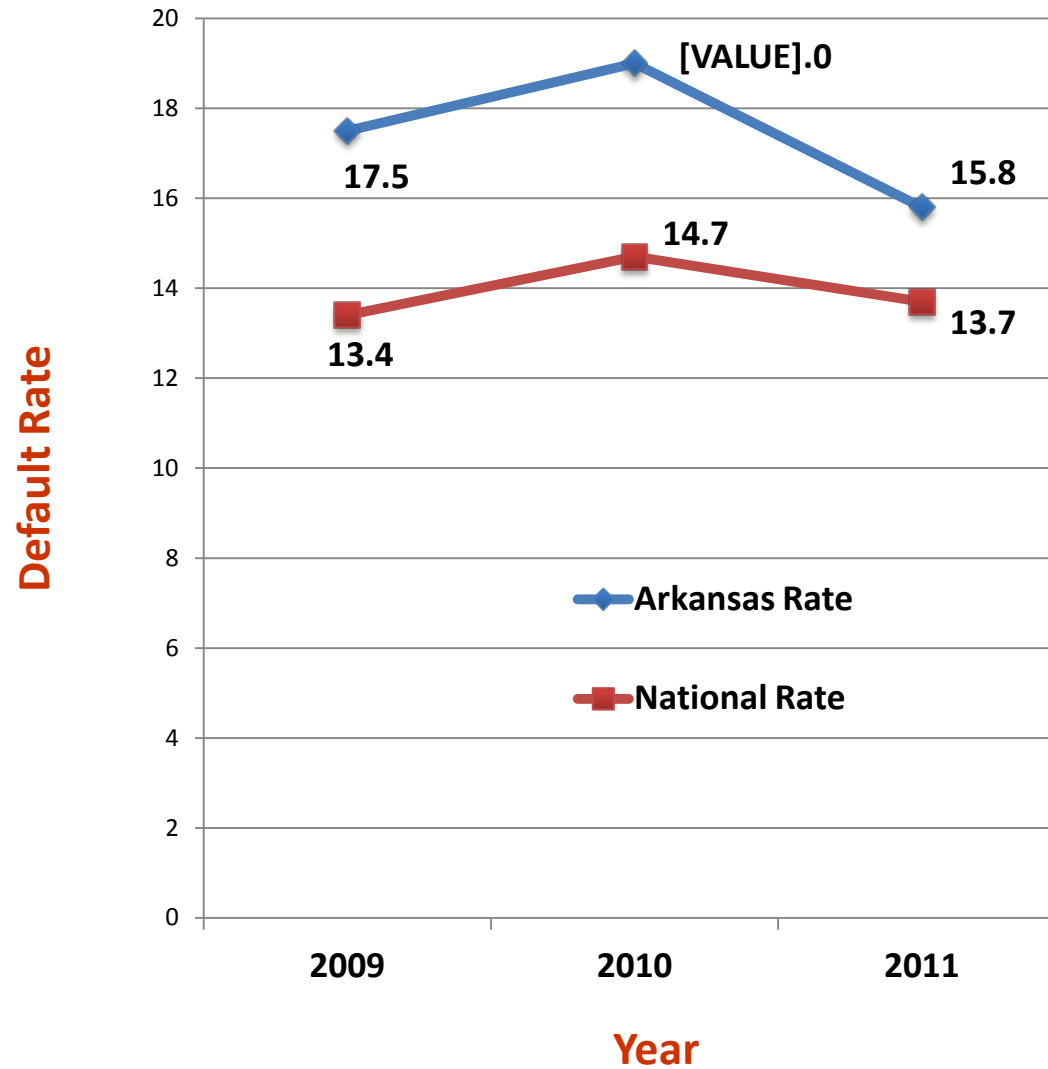
Established 2013

- Program to lower student loan default rates for:
 - State of Arkansas
 - Higher education institutions on a contractual basis
- Protect students from the serious repercussions of default

GOAL: To lower the Arkansas overall default rate below the national average

Arkansas vs. National 3-YEAR Cohort Default Rate

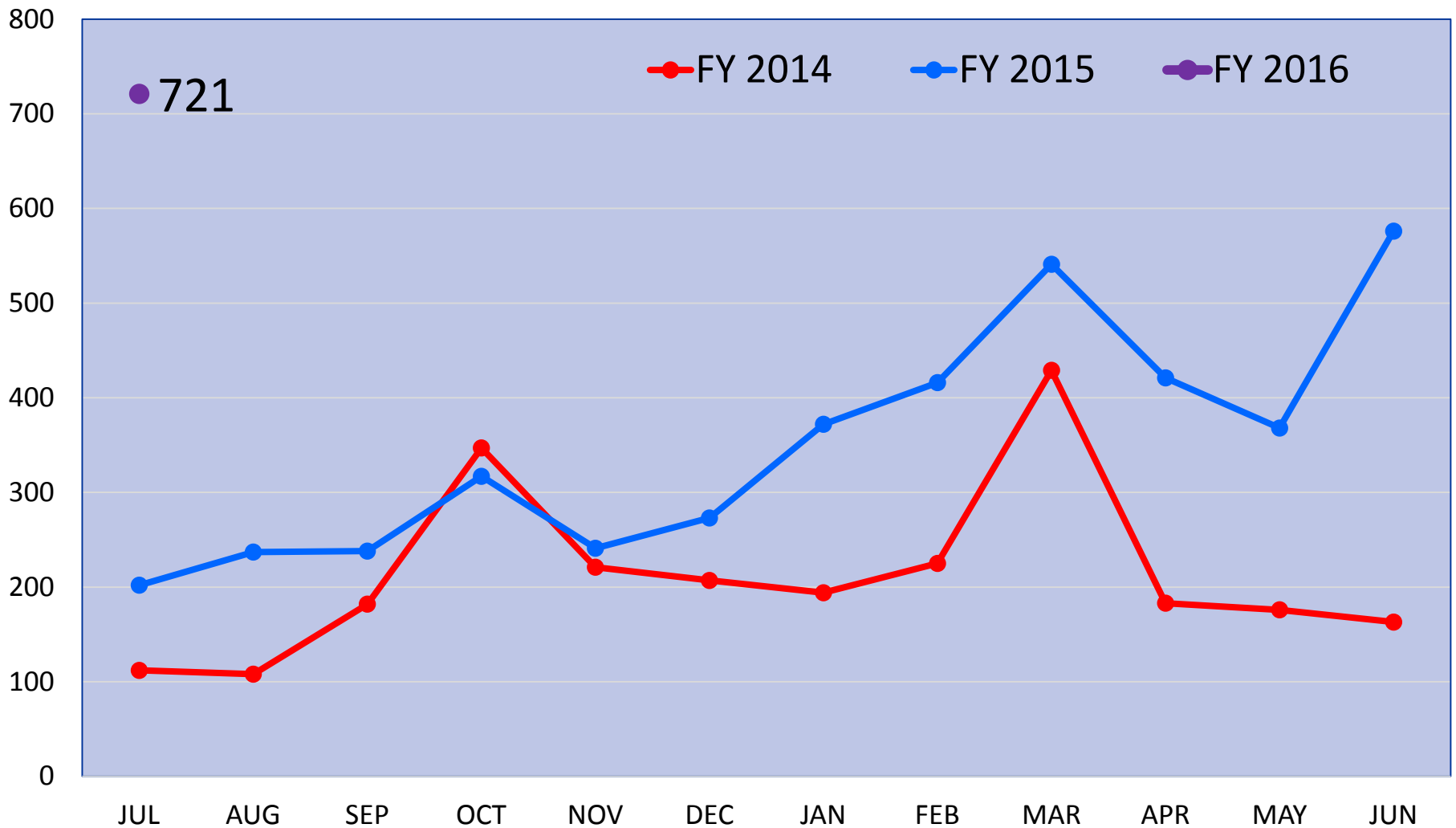
"New Calculation"



Schools Contracting with ASLA for Default Management Services

- Arkansas State University
- Arkansas State University - Beebe
- Arkansas Tech University
- Black River Technical College
- Henderson State University
- National Park Community College
- North Arkansas College
- Pulaski Technical College
- UA Community College - Batesville
- UA Community College - Hope
- UA at Monticello

ASLA Delinquency Resolutions Per Month



FY14 – 2,547 resolutions

FY15 – 4,202 resolutions

2013 Cohorts under Contract with ASLA

Cohort Tracking Period 10/01/2013 - 09/30-2015

	Goal Rate	Worst Case
Arkansas State University	14.9	9.8
Arkansas Tech University	14.9	13.8
Henderson State Univ.	14.9	13.7
National Park College	25.0	21.7
North AR College	25.0	24.4
Pulaski Technical College	20.0	19.5
UACC – Batesville	26.0	16.8
UACC - Hope	25.0	11.8

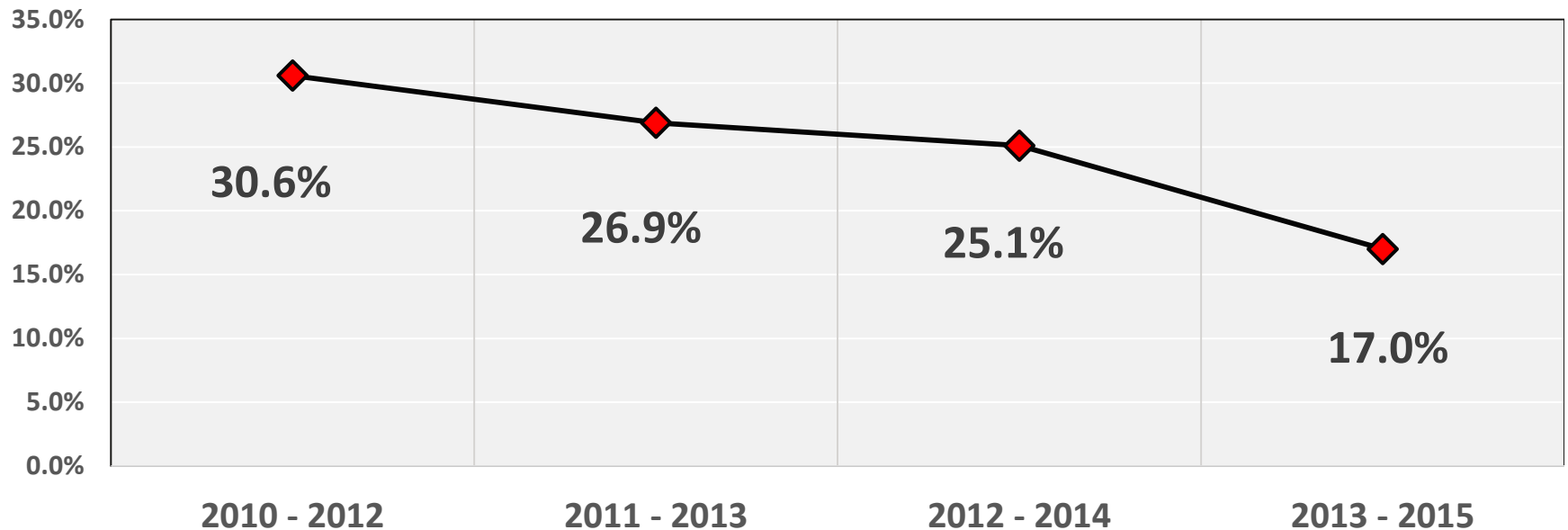
Default Rates by State ~ Top Ten

Ranking	2010			Ranking	2011	
	Rates released 9/2013				Rates released 9/2014	
50	Arizona	23.2%		50	New Mexico	20.8%
49	Arkansas	19.0%		49	Arizona	18.4%
48	Iowa	18.4%		48	West Virginia	18.2%
47	Oklahoma	18.4%		47	Kentucky	17.5%
46	Mississippi	17.4%		46	Iowa	17.3%
45	Kentucky	17.3%		45	Ohio	16.7%
44	Texas	17.3%		44	Mississippi	16.3%
43	New Mexico	16.4%		43	Texas	15.9%
42	Nevada	16.3%		42	Arkansas	15.8%
41	CO, FL, OH, WV	16.2%		41	Oklahoma	15.7%
	National Average	14.7%			National Average	13.7%

Default Management Results - U of A CC Batesville

Cohort Tracking Period:	Default Rate
2010 - 2012	30.6%
2011 - 2013	26.9%
2012 - 2014	25.1%*
2013 - 2015	17.0%**

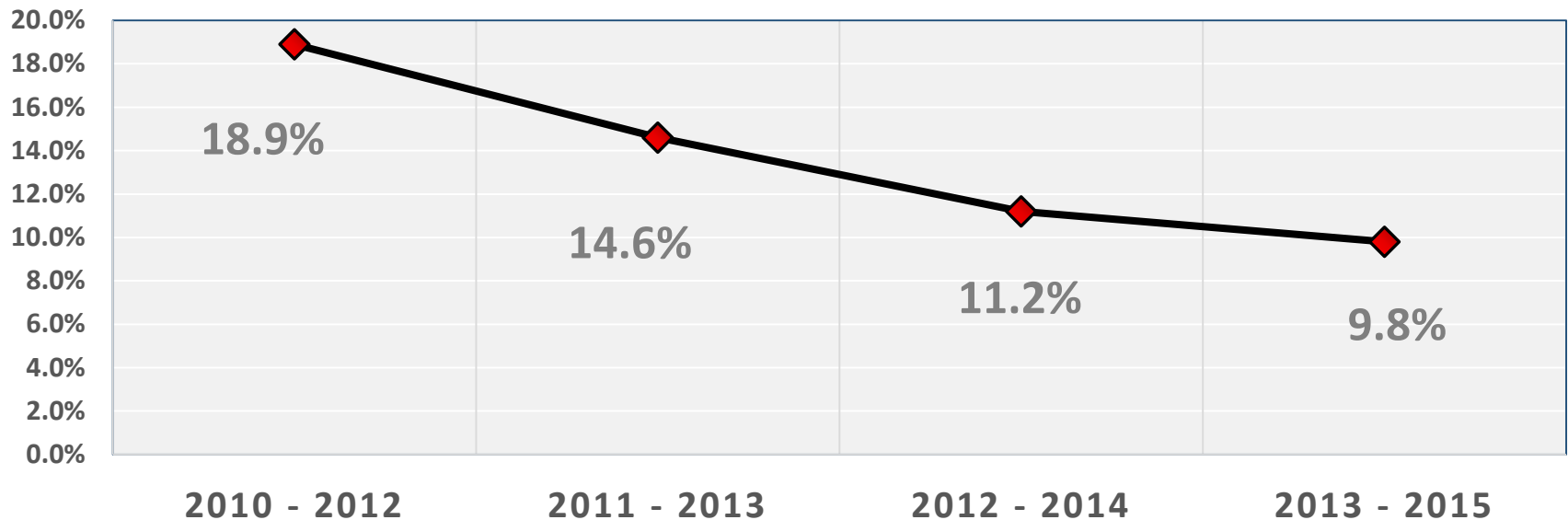
*USDE published draft rate **Rate calculated by ASLA



Default Management Results - Arkansas State University

Cohort Tracking Period:	Default Rate
2010 - 2012	18.9%
2011 - 2013	14.6%
2012 - 2014	11.2%*
2013 - 2015	9.8%**

*USDE published draft rate **Rate calculated by ASLA



Impact of ASLA's Delinquency Resolutions

In Arkansas' overall 2013 cohort, ASLA has resolved 2624 delinquent accounts.

Approximately 38,000 borrowers are believed to be in the 2013 cohort; a 1% decrease in the State's overall default rate occurs with every 380 resolved delinquencies. It is not realistic to assume every delinquent account would have reached default status without ASLA's intervention. Therefore, assuming 1/3 of the delinquent accounts would have defaulted without ASLA intervention, ASLA intervention can be expected to have an approximately 2.2 percentage point improvement in the State's overall 2013 cohort default rate, which will be published in September 2016.

<u>Cohort Year</u>	<u>Delinquency Resolutions</u>
2013	2,624

If 1/3 of the resolved accounts (875) avoided default due to ASLA's efforts, ASLA's positive impact on State's default rate equals:

2.2 Percentage Points Decrease

2011 Cohort Default Rates by State

Rates released by U.S. Department of Education – September 2014

Ranking	State	Default Rate	Ranking	State	Default Rate
1	North Dakota	6.1	26	California	12.7
2	Nebraska	7.7	27	Maine	12.8
3	Nevada	7.7	28	Idaho	13.1
4	Massachusetts	8.1	29	Illinois	13.1
5	New Hampshire	8.4	30	Alaska	13.6
6	Vermont	8.6	31	South Carolina	13.7
7	Wisconsin	9.9	32	Tennessee	13.7
8	Virginia	10.0	33	Alabama	14.2
9	Hawaii	10.1	34	Wyoming	14.2
10	New York	10.1	35	Oregon	14.3
11	Rhode Island	10.4	36	Michigan	14.4
12	Montana	10.5	37	Georgia	14.5
13	New Jersey	10.6	38	Colorado	15.3
14	Connecticut	10.9	39	Florida	15.4
15	Kansas	11.1	40	Indiana	15.5
16	Maryland	11.2	41	Oklahoma	15.7
17	Utah	11.4	42	Arkansas	15.8
18	Delaware	11.5	43	Texas	15.9
19	Pennsylvania	11.6	44	Mississippi	16.3
20	South Dakota	11.8	45	Ohio	16.7
21	Washington	11.8	46	Iowa	17.3
22	Minnesota	12.0	47	Kentucky	17.5
23	North Carolina	12.4	48	West Virginia	18.2
24	Louisiana	12.6	49	Arizona	18.4
25	Missouri	12.6	50	New Mexico	20.8

Removed: Guam @3.8%, DC @ 11.4%, Puerto Rico @ 16.9%, Virgin Islands @ 16.4%

Cohort Default Rates for Arkansas Institutions

(in order of lowest to
highest)

Rates released by:
U.S. Department
of Education

September 2014

In Order By Default Rate	Default Rate
University of AR for Medical Sciences	3.3
Margaret's Hair Academy	3.4
Baptist Health Schools Little Rock	4.0
Harding University	4.4
John Brown University	4.8
Arkansas Beauty School	5.0
AR College of Barbering & Hair Design	5.1
Academy of Salon and Spa	6.1
Hendrix College	6.6
Ouachita Baptist University	6.6
University of Arkansas	6.7
Career Academy of Hair Design	8.8
Searcy Beauty College	9.3
Lyon College	9.8
University of Central Arkansas	10.1
University of Arkansas at Little Rock	10.5
Central Baptist College	10.6
Arkansas Beauty College	11.1
Professional Cosmetology Ed. Center	11.1
Lees School of Cosmetology	12.1
Arthur's Beauty College	12.6
Williams Baptist College	12.8
JRMC School of Nursing	13.5
Arkansas Beauty School/Conway	14.2
NorthWest AR Community College	14.5
Arkansas State University	14.6
Arkansas State University – Newport	14.6
Henderson State University	15.4
University of the Ozarks	15.5
UACC at Morrilton	15.8
New Tyler Barber College	16.0

(continued)	Default Rate
Philander Smith College	16.4
College of the Ouachitas	16.9
Eastern College of Health Vocations	17.0
Arkansas Tech University	17.4
Phillips Community College of the UA	17.6
ABC Beauty College	17.7
Imagine - Paul Mitchell School	17.8
Southern Arkansas University	18.1
Arkansas State University – Beebe	18.4
South Arkansas Community College	21.9
Paul Mitchell The School Arkansas	22.0
Arkansas Northeastern College	22.3
Crowley's Ridge College	22.6
University of Arkansas at Monticello	22.6
Pulaski Technical College	22.7
Arthur's Beauty College	22.8
Hot Springs Beauty College	23.0
Ozarka College	23.1
Ecclesia College	23.4
National Park Community College	23.8
East Arkansas Community College	24.4
North Arkansas College	24.5
University of AR at Fort Smith	25.1
Southeast Arkansas College	26.3
UACC at Batesville	26.9
Southern Arkansas University Tech	27.6
UACC at Hope	28.3
Black River Technical College	29.1
University of AR at Pine Bluff	29.9
Arkansas Baptist College	31.1
Crossett School of Cosmetology	33.3

Cohort Default Rates for Arkansas Institutions (alpha order)

Rates released by:
U.S. Department of
Education

September 2014

Alpha Order	Default Rate
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ABC Beauty College	17.7
Academy of Salon and Spa	6.1
AR College of Barbering & Hair Design	5.1
Arkansas Baptist College	31.1
Arkansas Beauty College	11.1
Arkansas Beauty School	5.0
Arkansas Beauty School/Conway	14.2
Arkansas Northeastern College	22.3
Arkansas State University	14.6
Arkansas State University – Beebe	18.4
Arkansas State University – Newport	14.6
Arkansas Tech University	17.4
Arthur's Beauty College	22.8
Arthur's Beauty College	12.6
Baptist Health Schools Little Rock	4.0
Black River Technical College	29.1
Career Academy of Hair Design	8.8
Central Baptist College	10.6
College of the Ouachitas	16.9
Crossett School of Cosmetology	33.3
Crowley's Ridge College	22.6
East Arkansas Community College	24.4
Eastern College of Health Vocations	17.0
Ecclesia College	23.4
Harding University	4.4
Henderson State University	15.4
Hendrix College	6.6
Hot Springs Beauty College	23.0
Imagine - Paul Mitchell School	17.8
John Brown University	4.8
JRMC School of Nursing	13.5

(continued)	Default Rate
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Lees School of Cosmetology	12.1
Lyon College	9.8
Margaret's Hair Academy	3.4
National Park Community College	23.8
New Tyler Barber College	16.0
North Arkansas College	24.5
NorthWest AR Community College	14.5
Ouachita Baptist University	6.6
Ozarka College	23.1
Paul Mitchell The School Arkansas	22.0
Philander Smith College	16.4
Phillips Community College of the UA	17.6
Professional Cosmetology Ed. Center	11.1
Pulaski Technical College	22.7
Searcy Beauty College	9.3
South Arkansas Community College	21.9
Southeast Arkansas College	26.3
Southern Arkansas University	18.1
Southern Arkansas University Tech	27.6
UACC at Batesville	26.9
UACC at Hope	28.3
UACC at Morrilton	15.8
University of AR at Fort Smith	25.1
University of AR at Pine Bluff	29.9
University of AR for Medical Sciences	3.3
University of Arkansas	6.7
University of Arkansas at Little Rock	10.5
University of Arkansas at Monticello	22.6
University of Central Arkansas	10.1
University of the Ozarks	15.5
Williams Baptist College	12.8

Federal Student Loan Current Interest Rates

07/01/15 – 06/30/16

Federal Stafford Student:	4.29%
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Max. Rate:	8.25%
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Federal Stafford Grad/Professional:	5.84%
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Max. Rate	9.50%
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Federal PLUS Parent:	6.84%
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Max. Rate	10.50%
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Rates are fixed for individual loans. Program interest rates are adjusted annually based on 10-year Treasury Bill rates.

Federal Student Loan Borrowing Limits

YEAR	DEPENDENT STUDENTS	INDEPENDENT STUDENTS
1 st Year Undergrad	\$5,500	\$9,500
2 nd Year Undergrad	\$6,500	\$10,500
3 rd Year & Beyond Undergrad	\$7,500	\$12,500
Grad or Professional Annual Limit	N/A	\$20,500
Aggregate Loan Limit - Undergrad	\$31,000	\$57,500
Aggregate Loan Limit – Grad & Professional		\$138,500

STUDENT LOANS: TAKE IN MODERATION



SIDE EFFECTS

Excessive dosage may cause:

- Financial despair
- Loss of sleep
- Poor credit rating (inability to purchase a home, auto, etc.)

WARNING:

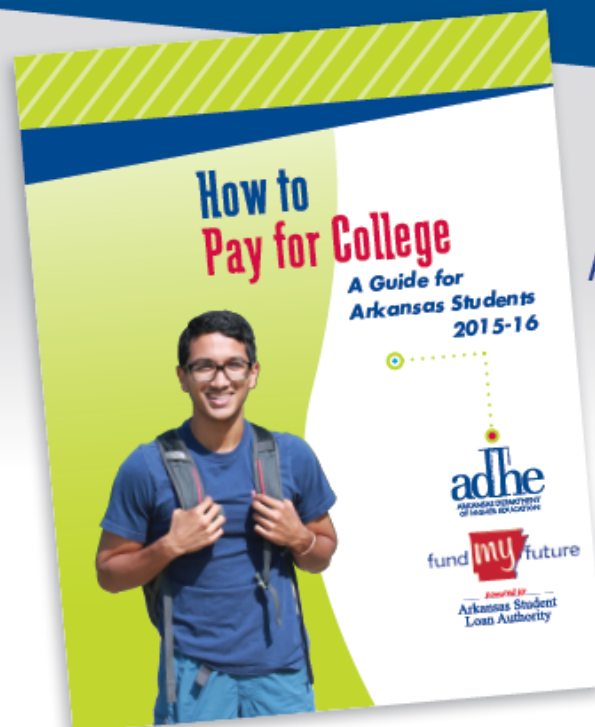
You should never pay to receive help with your financial aid or student loans.

Message sponsored by:
Arkansas Association of Student Financial Aid Administrators
Arkansas Student Loan Authority

For Student Loan Help:
855-275-1200
STUDENTLOANHELP@AASFAA.NET

\$20,000 a year for college?

*Approximate annual cost to attend a 4-year Arkansas University



Arkansas' source
for scholarship
& financial aid
information.

Contact your high school counselor or email
us at fundmyfuture@asia.info for your copy.

fund my future

powered by
Arkansas Student Loan Authority
www.fundmyfuture.info
800.443.6030



3801 Woodland Heights Road, Suite 200
Little Rock, AR 72212
(800) 443-6030 / (501) 682-2952

www.asla.info
www.fundmyfuture.info
www.ArStudentLoanHelp.com