**Cohort Default Rate**

A cohort default rate is the percentage of a school's borrowers who enter repayment on certain Federal Family Education Loan (FFEL) Program or William D. Ford Federal Direct Loan (Direct Loan) Program loans during a particular federal fiscal year, October 1st to September 30th, and default within the cohort default period. The US Department of Education releases official cohort default rates once per year.

The US Department of Education calculates the school’s cohort default rate by dividing the number of borrowers from the school entering repayment in a cohort year and default within a 3-year period divided by the number of borrowers from the school entering repayment in the cohort year.

**Academic Year Cohort UC Official Default Rate National Average Official**

 **Cohort Default Rate**

FY 2018 7.8% 7.3%

FY 2017 6.4% 9.7%

FY 2016 8.1% 10.1%

**Consequences of Default**

Outstanding interest on the loan is capitalized and collection fees may be added, often resulting in a balance higher than the amount initially borrowed. Defaulted loans are reported to the credit bureaus causing borrowers to sustain long-term damage to their credit rating. A defaulter may also face difficulty in securing a mortgage or car loan, may have their wages garnished, and their federal income tax refunds and other federal benefits seized. Until the default is resolved (i.e. through rehabilitation or garnishment), collection efforts continue, and the defaulter will be ineligible for additional federal student aid.