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Georgia Higher Education Assistance Corporation announces reduction in cohort default rate

ATLANTA – The U.S. Department of Education recently announced cohort default rates for fiscal year 2006. The Georgia Higher Education Assistance Corporation (GHEAC), the guaranty agency for the state of Georgia, is pleased to announce that it has lowered its cohort default rate to 8.4 percent, down from the previous year's of 10.3 percent.

"The decrease in our cohort default rate can be attributed to a variety of new tools and techniques GHEAC implemented to help its borrowers," said Timothy Connell, President of Georgia Higher Education Assistance Corporation. "We increased the total number of phone calls made to the borrowers; created specialized call campaigns, and worked more closely with the schools."

Cohort default rates are based upon national default statistics released annually by the U.S. Department of Education. The figure reflects the composite rate for both the Federal Family Education Loan Program (FFELP) and the Federal Direct Student Loan Program. The cohort default rate represents the number of student loan borrowers who enter repayment during the 12-month period ending September 30 and default by September 30 of the following year.

To prevent defaults, GHEAC suggests that students: 1) Maintain a current address with their lender, 2) Contact lenders if you are returning to school in order to take advantage of in-school deferments or the postponement of payments, and 3) If you are having financial difficulties, contact your lender for available options. Borrowers needing assistance in repaying their student loans can visit www.gsfc.org or call 800-505-GSFC.

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About the Georgia Higher Education Assistance Corporation

The Georgia Higher Education Assistance Corporation (GHEAC) is the state designated FFELP guarantor, and companion agency of the Georgia Student Finance Commission. The Corporation determines eligibility for FFELP student loans, assists lenders with minimizing loan defaults through default prevention and training programs, and default aversion activities. GHEAC was created as a public corporation in 1965 by the General Assembly of the State of Georgia.