

DEFAULT RATES IN TITLE IV STUDENT LOAN PROGRAMS

Federal regulations implementing the 1992 Higher Education Act Amendments require that accrediting agencies review default rate information provided by the Secretary for those institutions participating in Title IV programs to assure that those institutions comply with the regulations in the student loan programs as established under Title IV. This policy has been developed to implement that requirement.

The Commission on Technical and Career Institutions reviews the most recent default rate rosters and reports provided by the Department of Education and determines whether the provided information calls into question an institution's compliance with the agency standard that default rates in student loan programs not be excessive.

Excessive default rates in the student loan program may be an indicator of impaired administrative capability and may raise questions about the institution's quality of education and/or ability to meet the agency's standards. Therefore, based on information of excessive default rate provided by the secretary, the Commission will request that

- the institution present to the Commission a default reduction plan through prudent institutional policies to address federal concern about the excessive default rate, and
- upon consideration of that plan by the Commission, the institution take appropriate action to follow the plan