

The Challenge

Tallahassee State College (TSC) is an open access college with multiple locations throughout Florida. Approximately 28% of First-Time Full-Time (FTFT) students used federal student loans to help bridge the college affordability gap. From FY2011 to FY2014 the TSC student loan cohort default rate ranged from 23.8% to 23.3% exceeding the national average for community college default rates by 3.2% to 5.0% during the same period. Risk analysis showed that delinquency and default rates were on track to exceed the national average for the next two fiscal years.

The Solution

TSC elected to partner with Edamerica, a higher education third-party servicer with experience in federal student loan management and student support services.

Goals for Edamerica

- Deploy personalized outreach campaigns to TSC student loan borrowers
- Provide effective intervention to help students establish successful long-term repayment
- Reduce the CDR for all active cohorts

TSC Internal Strategies

TSC focused internal efforts on counseling and administrative strategies to discourage overborrowing. The leadership elected to:

- Participate in a USDE Direct Loan Experimental project to require annual loan counseling for student borrowers with even SSNs
- Spread annual loan amounts over Fall, Spring and Summer terms
- Notify students when they reach the \$13,500 threshold

The Results

Campaigns began in March 2017. Within six months of beginning outreach to distressed borrowers, Edamerica's counseling strategies proved effective. Approximately 34% of the outstanding delinquencies in the FY2015 cohort were resolved, lowering the CDR to 19.1% - a reduction of 4.2% in a single year.

The FY2016 CDR dropped to 14.5% giving TSC an official CDR that was below the national average (15.9%) for community colleges.

More recently, TSC has focused on reaching student loan borrowers sooner in the borrowing cycle. An analysis of all current active cohorts indicates that these strategies are effective in reducing delinquency rates and will continue to reduce default rates for upcoming fiscal years.

