Primer on Repayment Rates

The purpose of the September 30 meeting will be to deepen research and enhance the conversation about one measure of quality assurance: loan repayment rates. Students, policymakers, and institutions need access to measures such as repayment rates to validate the quality of institutional programs and measure student outcomes in clear, comparable ways. Well-defined, reliable measures can help protect educational quality alongside college attainment goals and prepare students to be successful after college. This conversation and continuing project will consider the intricacies of repayment rate measures within the context of multiple use-cases, evaluate the most appropriate metric specifications for each purpose, and identify potential data quality improvements.

Repayment rates are more nuanced than cohort default rates (CDRs) in that they show how borrowers pay down debt rather than only whether they avoid default. Especially at a time when more borrowers are entering income-driven repayment plans that help students avoid default, repayment rates could be a valuable tool in informing consumers, facilitating institutional improvement, and enhancing accountability (e.g., performance thresholds or risk-sharing). Repayment rates gained prominence during the gainful employment (GE) regulatory process and have been considered in other policy proposals, such as the Higher Education Affordability Act of 2014 (S.2954)[1] and the Student Protection and Success Act of 2015 (S.1939).[2]

Throughout these policy developments, the technical specifications and purposes for repayment rates shifted, and this memo explores that evolution. While the September 30 meeting will not focus on GE, this memo does provide background information about the regulations to ground the upcoming conversation, which will focus on how repayment rates could be used *outside of the GE context*. The memo discusses these alternate use-cases, such as consumer information, institutional improvement, and risk-sharing. The attached grid shows the progression of repayment rate calculations through gainful employment notice of proposed rule-makings (NPRMs) and other policy proposals. It explains differences in proposed uses, unit of analysis, cohort parameters, how to treat income-driven loans, and accountability thresholds. Each of these topics is detailed below.

The Evolution of Repayment Rates

Gainful Employment

Repayment rates initially emerged in the 2011 gainful employment (GE 2011) regulations as an accountability metric. Within the framework, a program risked losing Title IV eligibility if its repayment rate fell below a 35% threshold and failed the debt-to-earnings test for 3 out of 4 years.[3] GE 2011 calculates a dollar-based repayment rate using the following formula, which counts a loan as in repayment if the balance at the end of the year is at least $1 less than at the beginning of the year.[4]

$$\frac{\textit{Original Outstanding Principal Balance (OOPB) of Loans Paid in Full (LPF) + OOPB of Payments-Made Loans (PML)}}{\textit{OOPB}}$$

Using this formula, Table 1 shows institutional-level repayment rates by sector and control to demonstrate how different types of institutions would have been affected by the originally proposed regulations at various thresholds using 2009 data.

In 2012, in the *Association of Private Colleges and Universities v. Arne Duncan and the Department of Education* (ED), the U.S. District Court struck down the 35% repayment rate threshold, finding that ED did not sufficiently justify why it chose that threshold.[5] Despite agreeing that ED has the authority to regulate, the court determined that the repayment rate and threshold were intimately connected with the debt-to-earnings ratios, which comprised the accountability structure within the law, and thereby struck down the entirety of the accountability framework.

1 Sen. Thomas Harkin (D-IA). Higher Education Affordability Act of 2014 (S.2954). Retrieved from http://www.gpo.gov/fdsys/pkg/BILLS-113s2954is/pdf/BILLS-113s2954is.pdf

2 Sens. Jeanne Shaheen (D-NH) and Orrin Hatch (R-UT). Student Protection and Success Act of 2015 (S.1939). Retrieved from https://www.congress.gov/bill/114th-congress/senate-bill/1939/text

3 The negotiated rule-making proposal in 2010 outlined multiple thresholds—programs with repayment rates between 35% and 45% also had to improve and disclose to students their rates.

4 Please see the “Definitions” on the final page of this document for brief explanations of the calculation variables.

5 U.S. Court of Appeals. Association of Private Colleges and Universities v. Arne Duncan and the Department of Education. Retrieved from http://www.nacua.org/documents/PrivateSectorCollegesU_v_Duncan.pdf

Table 1: Repayment Rates by Sector and Control

Sector	Number of institutions	Percent at least 45%	Percent between 35% and 45%	Percent below 35%
Private for-profit 2-year	565	32.92	23.19	43.89
Private for-profit 4-year or above	218	25.23	32.57	42.20
Private for-profit less-than-2-year	946	40.70	22.09	37.21
Private non-profit 2-year	156	76.28	9.62	14.10
Private non-profit 4-year or above	1,434	78.31	10.53	11.16
Private non-profit less-than-2-year	45	64.44	11.11	24.44
Public 2-year	860	43.14	29.53	27.33
Public 4-year or above	590	74.24	14.92	10.85
Public less-than-2-year	148	74.32	19.59	6.08
Grand total	4,962	56.75	19.21	24.04

Source: Federal Register, U.S. Department of Education. Program Integrity: Gainful Employment—Debt Measure, June 13, 2011. Retrieved from https://www.federalregister.gov/articles/2011/06/13/2011-13905/program-integrity-gainful-employment-debt-measures

Note: While gainful employment regulations apply to programs, the repayment rates shown here are based on institution-level data.

In the 2014 gainful employment regulation (GE 2014), ED proposed a loan repayment rate as a disclosure metric, rather than as part of the accountability structure. Advocates of the metric called for its inclusion for accountability because it incorporates outcomes for both completers and non-completers. ED, however, kept it as a disclosure measure only and shifted the definition from a dollar-based to a borrower-based rate, using the following formula. In this definition, borrowers are counted as in repayment if they paid their loans in full or paid off at least $1 of their loans.

$$\frac{\textit{Number of Borrowers Paid in Full} + \textit{Number of Borrowers in Active Repayment}}{\textit{Number of Borrowers Entering Repayment}}$$

Other Accountability Proposals

Outside of gainful employment, organizations and policymakers have proposed using repayment rates for institutional and program accountability, mainly as part of risk-sharing frameworks. In *Automatic for the Borrower*, a Reimagining Aid Design and Delivery (RADD) consortium explained why repayment rates are an appropriate addition to a risk-sharing mechanism: they hold institutions accountable for post-collegiate outcomes and incentivize completion by including non-completers in the calculation, unlike debt-to-earnings ratios.[6]

6 Reimagining Aid Design and Delivery (RADD) Consortium. "Automatic for the Borrower." Retrieved from http://www.ced.org/pdf/Automatic_for_the_Borrower.pdf

Discussion Question: What questions can repayment rates answer that cannot be answered with other data (CDRs, debt-to-earnings)?

The upcoming reauthorization of the Higher Education Act is prompting additional interest in risk-sharing and repayment rates. Sen. Lamar Alexander (R-TN) released a white paper on risk-sharing in early 2015 in which he suggested the inclusion of a borrower-based loan repayment rate in a risk-sharing framework. The Senate Health, Education, Labor and Pensions (HELP) Committee followed the white paper with a hearing in May 2015 to explore risk-sharing in more depth. Both Andrew Kelly of the American Enterprise Institute and Jennifer Wang of the Young Invincibles testified in favor of including a repayment rate or progress measure. Kelly suggested a measure of repayment progress that examines the remainder of a cohort's loan balance left unpaid after the standard 10-year repayment period.[7] Wang recommended a loan-based repayment rate that measures the percentage of loans from graduates who are able to pay at least $1 on their loan principal annually.[8] Sens. Jeanne Shaheen (D-NH) and Orrin Hatch (R-UT) introduced the Student Protection and Success Act (S.1939) in

7 Andrew Kelly. "Exploring Institutional Risk-Sharing." Retrieved from www.help.senate.gov/imo/media/doc/Kelly3.pdf

8 Jennifer Wang. "Reauthorizing the Higher Education Act: Exploring Institutional Risk-Sharing." Retrieved from http://younginvincibles.org/wp-content/uploads/2015/05/Jennifer-Wang-Revised-Risk-Sharing-Testimony.pdf

August 2015 which codifies a borrower-based repayment rate and unemployment rates as part of a risk-sharing framework.[9]

What's Next for Repayment Rates?

Repayment rates, as often defined, measure success as only a minimal ($1) reduction of loan principal. A reimagined repayment measure could set higher expectations, measuring whether borrowers retire a more substantial portion of their loans or repay them in a certain time frame. Also, repayment rates could be used for purposes other than accountability, such as consumer information or institutional improvement.

> **Discussion Question:** What does "successful" repayment look like (e.g., $1 principal reduction, on track to repay within 10 years, expected repayment in less than 20 years)?

Consumer Information: In the most recent gainful employment regulations, the repayment rate is a consumer information measure. ED selected the borrower-based calculation, which they believe is more easily understood by students and families than the dollar-based rate and would be more useful for prospective students.[10] In research to inform the development of the College Scorecard, dollar-based repayment rates also tested as difficult to understand by consumers.[11] To operationalize repayment rates for consumer information requires further discussion and research on how to make these data most relevant and understandable to students and families.

> **Discussion Question:** If the repayment rate is used for consumer information, what is the appropriate calculation?

Institutional Improvement: Repayment rates should be considered as a metric for institutional improvement. Because the rates show progress on loan repayment, institutions could use repayment rates as performance indicators to better inform efforts to improve quality and better serve students. Compared with CDRs, which flag students already in dire situations, repayment rates identify students with troubling repayment patterns and can prompt early intervention before default. However, institutions do not always have available the necessary data in easily usable formats to calculate and assess these rates. Discussion at the meeting will explore ways that ED should address data gaps to better inform institutional improvement.

> **Discussion Question:** How can data collection and access procedures facilitate use of repayment rates by institutions?

Metric Design: Technical Considerations

Unit of Analysis: Dollars, Borrowers, or Loan Portfolio

Experts have debated whether repayment rates should use dollars, borrowers, or the entire loan portfolio as the unit of analysis, and GE regulations shifted from dollar-based rates (NPRM 2010 and GE 2011) to borrower-based rates (NPRM and GE 2014). In the 2011 regulations, ED chose a dollar-based repayment rate, which measures how many ***dollars*** are in repayment, to more heavily weight borrowers with higher debt. However, in 2014, ED opted for a borrower-based rate, which measures how many ***borrowers*** are in repayment, effectively weighting all borrowers equally regardless of the size of their debt. ED made this change because the purpose of the metric changed: in the first round of GE (2010–11), ED included repayment rates as an accountability measure, but in the second round (2014), it proposed using them for consumer information.

> **Discussion Question:** What is the appropriate unit of analysis: dollars, borrowers, or the loan portfolio? Is there an alternative calculation not yet considered?

Ben Miller, then of New America, also put forward a proposal to pool all loans at an institution and measure whether the entire ***portfolio's*** balance declines by at least $1, rather than identifying individual borrowers or loans as "in repayment." He also offered a variation on this approach, which would measure whether, early in repayment (e.g., 3 or 4 years), the institution's loan portfolio is on track to be repaid in a given time period (e.g., 10 or 20 years). Or, based on early repayment patterns, a metric could project the estimated length of time necessary to repay loans in full. This metric would provide an early indicator of ultimate on-time repayment based on an amortization schedule.[12] Similarly, the proposed Higher Education Affordability Act of 2014 (S.2954) included a speed-based rate that measured the average ***speed*** at which a cohort's loan portfolio is repaid.[13]

> **Discussion Question:** If using an "on-track" portfolio repayment rate, what time frame should be used for the amortization schedule (e.g., 10, 12, 15 years)?

9 Sens. Jeanne Shaheen (D-NH) and Orrin Hatch (R-UT). Student Protection and Success Act of 2015 (S.1939). Retrieved from https://www.congress.gov/bill/114th-congress/senate-bill/1939/text

10 Federal Register, U.S. Department of Education. Program Integrity: Gainful Employment, March 25, 2014, p. 16484. Retrieved from http://www.gpo.gov/fdsys/pkg/FR-2014-03-25/pdf/2014-06000.pdf

11 Center for American Progress. "Improving the College Scorecard." Retrieved from https://www.americanprogress.org/issues/higher-education/report/2012/12/02/46306/improving-the-college-scorecard/

12 Ben Miller. "Tweaking the Gainful Employment Repayment Rate." Retrieved from http://www.edcentral.org/tweaking-the-gainful-employment-repayment-rate/; Ben Miller. "Gainful Employment," presentation February 18, 2014. Retrieved from https://www.whitehouse.gov/sites/default/files/omb/assets/oira_1840/1840_02182014b-1.pdf

13 Sen. Thomas Harkin (D-IA). Higher Education Affordability Act of 2014 (S.2954). Retrieved from http://www.gpo.gov/fdsys/pkg/BILLS-113s2954is/pdf/BILLS-113s2954is.pdf

Discussion Question: What should be considered the standard for success in student loan repayment? Is $1 sufficient for a loan or borrower, or should on-track repayment be given more weight?

Cohort and Timing Parameters

Understanding the nuances of cohort and timing parameters is essential when determining the appropriate calculation for repayment rates. Three important components include the number of fiscal years included in the cohort, the number of years a borrower has progressed into repayment, and the length of the repayment period for the calculation.

Number of fiscal years included in the cohort: The number of fiscal years used to determine the cohort varies by proposal. Some proposals (Student Protection and Success Act of 2015 and New America) use students or loans entering repayment in 1 fiscal year to create the cohorts. Others (GE 2011, NPRM 2014, GE 2014 and Higher Education Affordability Act) apply a 2-year cohort period, which combines loans or borrowers entering into repayment within either of 2 fiscal years. Finally, NPRM 2010 aggregates 4 fiscal years of loans entering into repayment to comprise the cohort. Utilizing multi-year cohorts increases n-sizes, allowing for disaggregation by characteristics like program and completion status, whereas limiting the number of fiscal years creates a more homogenous cohort.

Discussion Question: How many and which cohort years should be included in the calculation?

Number of years into repayment: Most proposals measure repayment after several years, rather than very soon after entering repayment, to allow borrowers time to enter the labor market and begin to make progress on their loans. The most common proposal is 3 and 4 years into repayment, with GE 2011, NPRM 2014, GE 2014, and Higher Education Affordability Act using this parameter.[14] The Student Protection and Success Act of 2015 measures the rate for only 3 years into repayment, and New America proposes a rate that measures the outstanding loan balance at the end of a 4-year period. Alternatively, NPRM 2010 includes all loans entering repayment during the prior 4 fiscal years, measuring the repayment rate at a point when borrowers could be anywhere from 1 to 4 years into repayment.

Discussion Question: At what point in repayment should the repayment rate be evaluated?

Length of repayment period: For the vast majority of the reviewed regulations and legislation, repayment is measured by comparing the end-of-year loan balance with the beginning-of-year balance—a 1-year repayment window. In these instances, the repayment rate serves as a snapshot of the loans paid or borrowers in repayment during a single fiscal year (often the 4th fiscal year). Ben Miller and New America's proposed on-track and pooled-repayment rates are the outliers of this synthesis. In their calculations, the original outstanding principal balance is compared with the balance at the end of a selected period that is longer than 1 year—in this case, 4 years. The multi-year rate is designed to smooth relatively brief repayment anomalies that could skew results in a 1-year repayment window, such as large one-time payments or short periods of non-payment.[15]

Discussion Question: Should repayment be measured over the course of 1 year or multiple years?

Consolidated Loans

How repayment rate calculations treat consolidation loans and their original underlying loans is an important technical consideration for ED, policymakers, and practitioners. In the various iterations of gainful employment, ED determined that most loans paid through consolidation would not be counted toward loans paid in full or as Payments-Made Loans (PML) until the consolidation loan itself was paid in full or the principal reduced by at least $1. In 2011, ED conceded that for consolidation loans where the payment is interest-only, a loan could be counted among PML even if the principal on the consolidation loan had not reduced. These loans, however, could account for only up to 3% of the original outstanding principal balance.[16] Then, ED stated in GE 2014 that only if borrowers made sufficient payments to reduce the outstanding balance of the consolidated loan would they then be considered in active

Discussion Question: How should consolidation loans be treated in the calculation?

Discussion Question: How do missing data or data availability affect the feasibility of repayment rate usage? How can these challenges be addressed?

14 When a 2-year cohort period is used (GE 2011, NPRM 2014, , GE 2014, and Higher Education Affordability Act), some borrowers in the cohort will be 3 years into repayment when the repayment rate is calculated, while some will be 4 years into repayment, depending on when, precisely, in the cohort window the student entered repayment.

15 New America Foundation. "Improving Gainful Employment." Retrieved from https://www.newamerica.org/downloads/Improving_Gainful_Employment_FINAL.pdf; Ben Miller. "Tweaking the Gainful Employment Repayment Rate." Retrieved from http://www.edcentral.org/tweaking-the-gainful-employment-repayment-rate/

16 Federal Register, U.S. Department of Education. Program Integrity: Gainful Employment—Debt Measure, June 13, 2011, p. 34408. Retrieved from https://www.federalregister.gov/articles/2011/06/13/2011-13905/program-integrity-gainful-employment-debt-measures. Also included in the 3% are Income Contingent Repayment or Income Driven Repayment enrolled loans where the payment was made only on interest and qualifying payments made through the Public Service Loan Forgiveness programs.

repayment.[17] Feedback received through institutional attempts to measure repayment rates shows two central problems of consolidation loans in National Student Loan Data System (NSLDS) reports:

1. Underlying consolidated loans are difficult to match with consolidation loans.

2. The window of time for which a report is pulled and when a borrower consolidated his or her loans can affect which loans are included in the NSLDS reports.

Opportunities may exist to improve NSLDS tracking of consolidation loans and reporting of those loans on School Portfolio Reports (SPR).

> **Discussion Question:** How should loans be counted for students who attend multiple institutions because of transfer or graduate education?

Income-Driven Repayment Plans

Treatment of Income-Driven Repayment (IDR) plans are also important in the repayment rate conversation, especially as these plans become more accessible and better utilized. In initial iterations of gainful employment, successful payments on interest or loans were considered sufficient to be considered in "active repayment." This, however, does not take into consideration those students who are enrolled in IDR plans and are making payments only on interest, not principal. To be clear, however, enrollment in an IDR plan does not equate to negative amortization—some borrowers enrolled in these plans do pay on principal, just not as much as they would under a 10-year plan. Various experts including Ben Miller, Jennifer Wang, and the authors of *Automatic for the Borrower* agree that a well-designed repayment rate should not count as "in repayment" the borrowers who are paying through IDR plans but whose payments are too small to reduce the principal of the loan. These experts say that to include those borrowers undermines the purpose of the rate: to measure borrowers' ability to repay loans upon entering repayment.[18]

> **Discussion Question:** How should IDR loans be counted in the calculations?

> **Discussion Question:** Should the answers to any of the discussion questions differ based on use-case, or is it best to maintain a standard definition?

Additional Questions

Further discussion and research into the aforementioned considerations has the potential to pave the way for institutional improvement, risk-sharing, and better information to consumers on student loan repayment progression. The field also should consider the questions below to develop this measure:

- Repayment rates treat borrowers who pay $1 of principal and $5,000 as equals. Should a supplemental measure differentiate between these different outcomes?

- Historically, Parent PLUS, Perkins, and private loans have not been included in repayment rates, which limits the scope of the measure. Which loans should be included in the calculation and why? Should a repayment rate for Parent PLUS loans be calculated separately?

- How should repayment rates be disaggregated (completion status, Pell receipt, program, etc.)?

17 Federal Register, U.S. Department of Education. Program Integrity: Gainful Employment—Final Rule, October 31, 2014, p. 64986. Retrieved from http://www.gpo.gov/fdsys/pkg/FR-2014-10-31/pdf/2014-25594.pdf

18 Reimagining Aid Design and Delivery (RADD) Consortium. "Automatic for the Borrower," p. 26. Retrieved from https://www.ced.org/pdf/Automatic_for_the_Borrower.pdf

Definitions from the Gainful Employment Regulations

The following variables are used in the gainful employment regulation calculations and may be unclear to those unfamiliar with the regulations. These definitions are intended to clarify the nuances related to included loans and borrowers, as well as the exclusions.

Original Outstanding Principal Balance (OOPB): This variable is used in the July 2010 notice of proposed rulemaking (NPRM) as well as the final gainful employment regulations in 2011.[19] OOPB is defined as the amount of the outstanding balance on FFEL or Direct Loans owed by students who attended the program, including capitalized interest on the date those loans entered repayment. In the NPRM 2010, the cohort included all those entering repayment in the previous 4 federal fiscal years (FFYs), but this rule was changed in the final 2011 regulations to include only those in the 2-year cohort period. It was also updated in 2011 with the following: OOPB does not include TEACH or parent PLUS loans; for consolidation loans, the OOPB is the OOPB of the FFEL and Direct Loans attributable to a borrower's attendance in that program; and the cohort should include at least 30 borrowers.

Loans Paid in Full (LPF): This variable is used in the July 2010 NPRM as well as the final GE regulations in 2011. LPF include loans to students who attended the program that have been paid in full. However, a loan that is paid through a consolidation loan is not counted as paid in full in this variable until the consolidation loan is paid in full. In GE 2011, it was clarified that to be included as an LPF, the loan—or the underlying loans of any of the included consolidation loans—should not have ever been in default.

Reduced Principal Loan (RPL): This variable was included only in the July 2010 NPRM. RPL was replaced with Payments-Made Loans for the final gainful employment regulations in 2011. An RPL is defined as a loan where payments made by a borrower during the most recently completed FFY reduced the outstanding principal balance of that loan from the beginning of that FFY. It also includes loans for borrowers whose payment during that FFY qualifies for the Public Service Loan Forgiveness (PSLF) program, even if the outstanding principal balance of those loans is not reduced.

Payments-Made Loans (PML): PML was included only in the GE 2011 final regulations, as a replacement for RPL. It includes the following payments to loans that have never been in default:

1. Payments made during the most recent FFY that reduce the outstanding principal balance of a loan, including consolidation loans, to an amount that is less than the outstanding principal balance at the beginning of that FFY. The outstanding principal balance includes any unpaid accrued interest that has not been capitalized;
2. Payments made on a loan from a borrower who is in the process of qualifying for PSLF during the most recently completed FY; and
3. Payments made by a borrower in an income-based repayment plan, income-contingent repayment plan, or other repayment plan where scheduled payments are less than or equal to the interest that accrues on the loan during that FY. This component is what differentiates a PML from an RPL.

The dollar amount of any interest-only or negative amortization loans (including PSLF and IDR loans) are limited in the numerator to no more than 3% of the total amount of OOPB in the denominator of the ratio.[20]

For the 2014 NPRM and final gainful employment regulations, the calculation was changed to a borrower-based rate, using the following variables:

Number of Borrowers Entering Repayment: The total number of borrowers who entered repayment during the 2-year cohort period on FFEL or Direct Loans received for enrollment in the program.

Number of Borrowers Paid in Full: Of the number of borrowers entering repayment, the number who have fully repaid all FFEL or Direct Loans received for enrollment in the program.

Number of Borrowers in Active Repayment: Of the number of borrowers entering repayment, this variable captures those who during the most recently completed award year made loan payments sufficient to reduce the outstanding balance of each of the borrower's FFEL or Direct Loans received for the program by at least $1. This includes consolidation loans. Borrowers who defaulted on FFEL or Direct Loans are not included in the number of borrowers with loans paid in full or the number of borrowers in active repayment, even if they have paid in full or are in repayment after default.

19 Federal Register, Department of Education. Program Integrity: Gainful Employment—Proposed Rule, July 26, 2010, p. 43638. Retrieved from http://www.chea.org/pdf/DOE_34_CFR_Part_668.pdf; Federal Register, U.S. Department of Education. Program Integrity: Gainful Employment—Debt Measure, June 13, 2011, p. 34449. Retrieved from https://www.federalregister.gov/articles/2011/06/13/2011-13905/program-integrity-gainful-employment-debt-measures

20 Federal Register, U.S. Department of Education. Program Integrity: Gainful Employment—Debt Measure, June 13, 2011, p. 34450. Retrieved from https://www.federalregister.gov/articles/2011/06/13/2011-13905/program-integrity-gainful-employment-debt-measures

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	Federal Regulations and Proposed Legislation							Literature	
	GE NPRM 2010	GE FINAL 2011	GE NPRM 2014	GE FINAL 2014	Higher Education Affordability Act of 2014 (S.2954)		Student Protection and Success Act of 2015 (S.1939)	Ben Miller / New America	Sen. Alexander White Paper
Potential Use-Cases	Accountability	Accountability	Consumer Information	Consumer Information			Accountability, Risk-Sharing	Accountability	Risk-Sharing
Unit of Analysis (Dollar or Borrower)	Dollar	Dollar	Borrower	Borrower	Dollar	Speed	Borrower	Dollar / "Pooled Repayment Rate"	Borrower
Numerator	Original Outstanding Principal Balance (OOPB) of Loans Paid in Full (LPF) + OOPB of Reduced Principal Loans (RPL)	Original Outstanding Principal Balance (OOPB) of Loans Paid in Full (LPF) + OOPB of Payments-Made Loans (PML)	Number of Borrowers Paid in Full + Number of Borrowers in Active Repayment	Number of Borrowers Paid in Full + Number of Borrowers in Active Repayment	Total Original Outstanding Balance (OOPB) of All Loans Paid in Full (LPF) + Total Original Outstanding Balance of All Payments-Made Loans (PML) of All Loans	Amount paid of all cohort loans of the institution / the total original outstanding balance of all such cohort loans of the institution for such year	Number of borrowers who are not in default and who make at least a $1 reduction in principal balance	Total amount of outstanding principal owed at the end of the 4th year	Number of borrowers paying on loan principal
Denominator	OOPB of all loans for students attending the program	OOPB	Number of borrowers entering repayment	Number of borrowers entering repayment	Total original outstanding balance of all loans	Average number of years in repayment for the cohort loans, rounded to the nearest month and weighted based on the dollar amount of the current loan balance	Number of borrowers entering repayment	Total amount of outstanding principal that should have been owed at the end of 4 fiscal years given the underlying interest rate and 20-year amortization period	Number of borrowers entering repayment
Number of Fiscal Years Included in the Cohort	4 fiscal years	2 fiscal years	2 fiscal years	2 fiscal years	2 fiscal years		1 fiscal year	1 fiscal year	N/A
Years into Repayment	1 to 4 years	3 and 4 years	3 and 4 years	3 and 4 years	3 and 4 years		3 years	Cohort is evaluated from the time the loan entered repayment until 4 years after.	N/A
Repayment Period Evaluated	1 year	1 year	1 year	1 year	1 year		1 year	4 years	N/A
Consolidated Loans	LPFs do not include any loans paid through a consolidation loan until the consolidation loan is paid in full.	Payments made on certain consolidation loans count as active repayment; those consolidated loans that include a defaulted loan are excluded from the numerator; consolidation loans are not considered LPFs until the new consolidated loan is paid, regardless of whether the underlying loans show as paid due to consolidation.	Borrowers who consolidate are not considered in repayment unless the consolidated loans are being paid on--underlying loans paid through consolidation do not count.	Because the Department of Education is calculating the rates, they give little information as to how they plan to handle consolidation loans that include more than one institution's loans.	Consolidation loans are treated based on their underlying consolidated loans. The original outstanding balance and repayment periods are based on the underlying loans. The underlying loans are not considered paid in full until the consolidation loan is paid in full.		Consolidated loans are included in the debt accrued at the institution/ program, but treatment is not detailed.	Consolidated loans could be attributed only to the institution of the highest credential borrowed for (e.g., all undergraduate debt goes to the graduate institution).	N/A
Income-Driven Repayment Treatment	Not mentioned specifically	PMLs include "not only those payments that reduce the outstanding balance but also payments made under certain repayment plans, or for certain consolidation loans, payments that do not reduce the outstanding balance," the total of which can only be equal to 3% of the OOPB, along with PSLF and other consdolidated loans.	Considered in repayment if the borrower made all payments required under an IDR plan	Students enrolled in IDR plans that are not actively repaying enough during the year to owe less at the end of the year than they owed at the start are not considered in active repayment.	Not mentioned specifically		Payment is required to be paid on the principal amount, regardless of repayment plan.	IDR plans would pool those students in with all of the others, potentially masking negative effects on the loan amount if the other borrowers outweigh by making larger payments.	N/A
Threshold	Less than 35%, 35.1% to 45%, 45.1% and above	35%	A panel of experts should be convened to determine the proper threshold. Also, set a minimum performance level where institutions lose eligibility after one failure below that level.	None. It is used as a disclosure measure.	No specific threshold is specified.	The Secretary of Education is responsible for establishing methodology to define repayment as "quickly" and "slowly" for relative significance.	45% the first year, 10% below the average repayment rates for like institutions as calculated the previous year, to not equal or exceed 70%	Dichotomous--either the amount owed is equal to or less than what would be expected, meaning it passes, or it is greater and it fails. This could be made slightly easier by allowing a school/program to pass as long as the amount owed is no more than X above what it should have been.	Less than 50%