Student Indebtedness
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Director of Financial Aid
A National Issue

- Student debt topped 1 trillion dollars, exceeding credit card debt
- College affordability and student debt are national issues
- Student loan defaults are on the rise
UAlbany Students

• Approximately 80% of our undergraduate students apply for need-based financial aid

• Average need of UA aid applicants is $12,374 and has been increasing

• Of the 2012-2013 undergraduate financial aid applicants (FAFSA filers) 46% had family incomes of less than $50,000

• Approx 25% of aid applicants have a zero Expected Family Contribution (EFC)
<table>
<thead>
<tr>
<th>University</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>University at Albany</td>
<td>36%</td>
</tr>
<tr>
<td>Stony Brook University</td>
<td>36%</td>
</tr>
<tr>
<td>University at Buffalo</td>
<td>31%</td>
</tr>
<tr>
<td>Binghamton University</td>
<td>28%</td>
</tr>
<tr>
<td>Syracuse University</td>
<td>27%</td>
</tr>
<tr>
<td>University of Connecticut</td>
<td>21%</td>
</tr>
<tr>
<td>University of Delaware</td>
<td>12%</td>
</tr>
</tbody>
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*Source: www.collegenavigator.gov*
Federal/State Funding Tightens

- Federal Pell Grant
  - Year Round Pell *eliminated*
  - Number of semesters *reduced*
- ACG/SMART Grant *eliminated*
- Loan Subsidy during Grace Period *eliminated*
- Subsidized Stafford Loans for Graduate Students *eliminated*
- Graduate TAP *eliminated*
## In-State FT Undergraduate Costs

<table>
<thead>
<tr>
<th></th>
<th>2011-12</th>
<th>2012-13</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Tuition</strong></td>
<td>$5,270</td>
<td>5,570</td>
</tr>
<tr>
<td><strong>Fees</strong></td>
<td>$1,902</td>
<td>1,955</td>
</tr>
<tr>
<td><strong>Room and Board</strong></td>
<td>$10,958</td>
<td>11,276</td>
</tr>
<tr>
<td><strong>Total Direct Costs</strong></td>
<td>$18,130</td>
<td>18,801</td>
</tr>
<tr>
<td><strong>Books</strong></td>
<td>$1,200</td>
<td>1,200</td>
</tr>
<tr>
<td><strong>Other Educ Exp</strong></td>
<td>$1,432</td>
<td>1,515</td>
</tr>
<tr>
<td><strong>Cost of Attendance</strong></td>
<td>$20,762</td>
<td>21,516</td>
</tr>
</tbody>
</table>
Net Cost/Borrowing

- 1st year student from family of four with $xx,xxx income:
  - Net price after grants and scholarships = $xx,xxx ($xxx NYS TAP Grant, $xx SUNY Tuition Credit)
  - Student borrowing=$x,xxx
  - Cost to family after student loan= $xx,xxx

- Over four years if no tuition/fee/room/board increase:
  - Total $xx,xxx payments + $xx,xxx student loans
Net Cost/Borrowing

- 1st year student from family of four with $xx,xxx income:
  - Net price= $xx,xxx ($x,xxx NYS TAP Grant, $xxx SUNY Tuition Credit, $x,xxx Pell)
  - Student borrowing =$x,xxx Stafford + $x,xxx Perkins
  - Federal Work-Study = $x,xxx
  - Cost to family after self-help aid = $x,xxx

- Over four years if no tuition/fee/room/board increase:
  - Total  $xx,xxx payments + $xx,xxx student loans
How Do Families Pay Costs?

- Federal PLUS (parent loans)
  - Interest rate fixed at 7.9%
  - Credit-based loan
  - Approx $19.5 million in 2012-13

- Private Alternative Loans
  - Interest rates vary, no cap
  - Credit-based loan
  - Approx $6.2 million borrowed in 2012-13

- Payment Plans - 8 monthly installments

- Savings/ 529 Plans
Student Debt

Average Indebtedness

• National 2011 - $26,600
  – Monthly payment of $306.11

• UA 2011 - $23,039
  – Monthly payment of $265.13

• UA 2012 - $24,126
  – Monthly payment of $277.64

*Repayment based on 10 yr. standard repayment at 6.8%
Cohort Default Rate (CDR)

• National CDR
  – 2YR – FY 2010 is 9.1%
  – 3YR – FY 2009 is 13.4%

• UA CDR
  – 2YR – FY 2010 is 5.3%
  – 3YR – FY 2009 is 6.1%
Historical Official
2 Year Cohort Default Rates

Cohort Default Rate (Percentage)

Cohort Years

2002 2003 2004 2005 2006 2007 2008 2009 2010

National
UAlbany
University-Wide Issue

- Funding for institutional grant and need-based scholarships
- Cost containment
- Financial literacy
- Time to Degree
Educate Students

• Early awareness

• Outreach efforts - Fin Aid Day, H.S. Fin Aid Nights, Orientation Sessions, EOP meeting

• Sharing messages about responsible borrowing and making sound financial decisions
SUNY Smart Track

- Engaging entire University in default prevention through retention and student success
- Financial literacy
- Default aversion
- SUNY Award letter
Shopping Sheet

• Effort to make financial aid awards and college cost info more transparent and easier to understand
• Clear distinction between loans and grants
• Net Cost = COA minus total grants and scholarships
• Adopted as an award letter for 2013-2014
Managing Debt

• In School Deferment
  – During a period of at least half-time enrollment

• Loan Forgiveness

• Repayment Options
Education as an Investment

• Our goal is to provide access and improve options for students through financial aid policy

• Student loans provide a pathway allowing students to invest in their future

• UAlbany offers a quality education at a great value