

From: AVP, Apollo Financial Aid
Sent: Monday, April 19, 2010 10:02 PM
To: Brian Swartz <Brian.Swartz@apollogrp.edu>; Joseph D'Amico <joe.damico@apollogrp.edu>;
Subject: Re: CDR for graduates....
Attach: image001.gif

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The two data sets are not really comparable as the first set of charts represents our official cdr by program of study for all students entering repayment in those cohort periods and excludes those students from the numerator who are in a forbearance or deferral.

Whereas the second set of data represents only those students who have graduated from their program and the numerator includes borrowers with a forbearance or deferral as the proposed gainful employment regs do not consider these borrowers as actively repaying.

What we discovered from this exercise is that due to the debt loads of the masters/doctoral grads, especially in the industries hit hardest by the economy, that they are going into forbearance arrangements. This has been the driver of the incr rates in the repayment analysis we completed.

I hope this helps answer your questions and concern. I will be back in office on Wednesday and would be happy to make time to discuss further if you would like.

Also note that we are continuing to slice and dice our data to identify trends and risk profiles to better target our initiatives and we will share this with you as soon as we have valuable information to present to you.

Thank you.
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From: Brian Swartz Redacted by HELP Committee
To: Joseph D'Amico;
Sent: Sat Apr 17 11:26:54 2010
Subject: Fw: CDR for graduates....

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I have not yet studied this myself but can u provide a perspective here? Thanks

Brian L. Swartz
Senior VP & Chief Financial Officer
Apollo Group
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From: Chas Edelstein
To: Joseph D'Amico; Brian Swartz; Terri Bishop; Gregory Cappelli
Sent: Sat Apr 17 11:11:59 2010
Subject: RE: CDR for graduates....

If I'm reading this data correctly, the CDRs for graduates is approximately the same as the overall CDRs, by year. Does this mean that the assumption that we were previously using (i.e. that graduates pay their debt at greater rates than drop outs) is not true, or am I missing something? If so, this is very surprising, as it doesn't make intuitive sense.

Chas Edelstein

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Co-Chief Executive Officer

Apollo Group, Inc

From: Joseph D'Amico
Sent: Friday, April 16, 2010 8:46 PM
To: Brian Swartz; Terri Bishop; Chas Edelstein; Gregory Cappelli
Subject: Fw: CDR for graduates....

These are not as good as I thought. Not sure this helps.

From: AVP, Apollo Financial Aid
To: Brian Swartz, Redacted by HELP Committee, Joseph D'Amico;
Sent: Fri Apr 16 17:49:38 2010
Subject: RE: CDR for graduates....

Brian, I think this is what you are looking for in response to your first question:

Here are the CDR □s by Program Level:

FY05

Defaulters

Repayment Population

CDR

Total Population:

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7.39%

Break Down by Program Type:

Associates

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6.23%

Bachelors

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10.59%

Masters

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1.92%

Doctoral

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1.41%

Other

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1.28%

FY06

Defaulters

Repayment Population

CDR

Total Population:

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7.24%

Break Down by Program Type:

Associates

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6.96%

Bachelors

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10.64%

Masters

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2.21%

Doctoral

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1.16%

Other

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2.07%

FY07

Defaulters

Repayment Population

CDR

Total Population:

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9.32%

Break Down by Program Type:

Associates

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20.80%

Bachelors

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9.58%

Masters

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2.78%

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Doctoral

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2.20%

Other

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2.13%

FY08

Defaulters

Repayment Population

CDR

Total Population:

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13.17%

Break Down by Program Type:

Associates

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23.43%

Bachelors

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9.48%

Masters

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3.42%

Doctoral

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3.45%

Other

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3.80%

In regards to your second question, we do not have that readily available. The closest information that I have to that is what we did for the gainful employment analysis, however this is for all students that graduated and entered repayment between 10/1/04 - 9/30/07. The results of this analysis showed that for this population of students the default rate would be:

Associates 18.1%

Bachelors 8.1%

Masters 6.9%

Doctoral 10.1%

I am out of the office on Mon and Tues at a Conference, but I can have my analysts work on recalculating the CDRs for the last three years assuming that those in forbearance/deferment have defaulted if you need that information.

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From: Brian Swartz
Sent: Friday, April 16, 2010 11:28 AM
Redacted by HELP Committee

Joseph D'Amico
Subject: CDR for graduates...

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I think you may have already sent this data but can you tell me what our

CDR are for graduate students only for UPX for the last 3 yrs?

Also, I believe traditional CDRs excl those students in forbearance or deferment...do you by chance have an Adjusted CDR for the

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last 3 yrs that would incl students in those categories?

Thanks

Brian L. Swartz, Senior VP & Chief Financial Officer

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