

Presented by  
Kris Shear, Santa Rosa College  
&  
Michael Copenhaver, Grossmont College

# Navigating the Margin:

A candid conversation about  
excessive debt, responsible  
borrowing and prudent  
limits.

# What is Excessive Debt?

- **Debt-to-Income Ratio is too high**
  - more than 50%?
  - more than 60%?
  - more than 70%?

# What is Excessive Loan Debt?

- **Debt-to-Unit Ratio is too low**

- what is Debt-to-Unit Ratio?**

**Example: take the average amount of time it takes to get a degree/transfer and factor in all the loans a student can receive at full-time status (conservative route) for each year – 60 units divided by \$12,000 gives you .005. *Anything less than this is too low!***

## Debt-to-Unit Ratio (Continued)

- 1<sup>st</sup> year = 24 units (12 per term) and \$3,500
- 2<sup>nd</sup> year = 24 units (12 per term) and 4,000
  - ❑ additional \$500 is for 2<sup>nd</sup> year amount in spring term
- 3<sup>rd</sup> year (or final term) = 12 units and \$4,500
  - ❑ additional \$2,250 is for ‘flexibility factors’ (i.e. less than full-time status for a term or two, 60 units is an average, etc.)

# Open Discussion on Excessive Debt

- **What are your thoughts on excessive debt?**
- **How much loan debt is too much?**
- **What are your methods for measuring excessive loan debt?**

# Responsible Borrowing & Prudent Limits

- **Additional Loan Counseling at \$10,500**
- **Even more Loan Counseling at \$13,500**



# Open discussion on Responsible Borrowing & Prudent Limits

- What are your thoughts on responsible borrowing & prudent limits?
- What Loan Counseling Tools are you using on your campus?

## CDR Tracking to Three Years

- **Estimates indicate that the CDR for Grossmont College could go from 7.2% to 15.9%**
- **Regional strategies for improving Default Prevention?**

# Closing Dialogue and Questions

