

**Appendix Table A1. Predicting default within 12 years of entry (undergraduate borrowers only)**

Predictor	Marginal effect
Black, non-hisp.	0.107***
Hispanic	0.004
Asian or Pac. Is.	-0.085***
All other race/eth.	0.085***
Female	-0.028**
Age	0.008
Age-squared	-0.000
Dependent student	-0.020
Zero EFC	0.045***
EFC/10,000	-0.048***
EFC squared/(100M)	0.005***
Parents owned home at college entry	-0.029*
Parents highest ed: some coll	-0.006
Parents highest ed: BA only	-0.032**
Parents highest ed: Graduate	-0.032*
Parents help while enrolled: 1 form	-0.030
Parents help while enrolled: 2 forms	-0.032*
Parents help while enrolled: 3 forms	-0.041**
Parents help while enrolled: 4 forms	-0.017
SAT or equiv	-0.000
SAT or equiv. missing	-0.005
Had a credit card in 2004	0.002
(Cum UG amt borrowed)/10,000	-0.048***
(Cum UG amt borrowed)/(100M)	0.000***
First institution: For-profit	0.110***
First institution: Public four-year	0.059**
First institution: Private NFP 4-year	0.088***
First institution: Other sector	0.026
First institution: Moderately selective 4-year	-0.020
First institution: Minimally selective 4-year	-0.008
First institution: Open admission	0.035
Highest attainment by 2009: AA/AS	0.088***
Highest attainment by 2009: Certificate	0.153***
Highest attainment by 2009: Still enrolled in undergrad	0.117***
Highest attainment by 2009: Left without degree	0.193***
Last known GPA	-0.079***
GPA:missing	-0.211***
Employed, not enrolled in Year 6	0.048**
Employment status missing	0.123***
Total household income in 2009/10,000	-0.003
Debt-to-income ratio in 2009 (0-100)	0.002***
Monthly repayment: 2009/100	-0.003
Observations	10,150
Adj. R-squared (OLS)	0.237

Source: Author's calculations using BPS-2004 data with NSLDS supplement using WTA000. Notes: \*\*\*  $p < 0.01$ , \*\*  $p < 0.05$ , \*  $p < 0.1$ . Coefficients are from a probit regression, expressed as average marginal effects on the probability of default of a one-unit increase in the predictor. The source variable for ever defaulted within 12 years is `s15evrdef_12y`. Sample size is rounded to the nearest 10.

**Appendix Table A2. Explaining patterns of default across sectors (undergraduate borrowers only)**

VARIABLES	Controlling for additional factors				
	Model 1: Baseline diffs	Model 2: BG chars, scores and credit	Model 3: Borrowing amts	Model 4: Attainment and GPA	Model 5: 2009 Emp/ repayment
First institution: For-profit	0.251***	0.139***	0.129***	0.136***	0.109***
First institution: Public four-year	-0.074***	0.008	0.018	0.027*	0.017
First institution: Private NFP 4-year	-0.069***	0.019	0.035*	0.064***	0.045**
First institution: Other	0.069**	0.029	0.025	0.034	0.026
Black, non-hisp.		0.131***	0.143***	0.109***	0.109***
Hispanic		0.009	0.003	0.007	0.006
Asian or Pac. Is.		-0.109***	-0.108***	-0.085***	-0.084***
All other race/eth.		0.106***	0.110***	0.087***	0.086***
Female		-0.050***	-0.046***	-0.025**	-0.028**
Age		0.004	0.004	0.009	0.008
Age-squared		-0.000	-0.000	-0.000	-0.000
Dependent student		-0.030	-0.024	-0.022	-0.018
Zero EFC		0.068***	0.060***	0.048***	0.044***
EFC/10,000		-0.054***	-0.056***	-0.046***	-0.043***
EFC squared/(100M)		0.006***	0.006***	0.005***	0.005***
Parents owned home at college entry		-0.034*	-0.040**	-0.031*	-0.028*
Parents highest ed: some coll		-0.009	-0.006	-0.006	-0.006
Parents highest ed: BA only		-0.044***	-0.038**	-0.033**	-0.031**
Parents highest ed: Graduate		-0.045**	-0.042**	-0.031*	-0.032*
Parents help while enrolled: 1 form		-0.026	-0.030	-0.024	-0.028
Parents help while enrolled: 2 forms		-0.033	-0.035*	-0.031	-0.031
Parents help while enrolled: 3 forms		-0.040**	-0.041**	-0.036*	-0.040**
Parents help while enrolled: 4 forms		-0.021	-0.022	-0.009	-0.018
SAT or equiv		-0.000***	-0.000***	-0.000	-0.000
SAT or equiv: missing		-0.131***	-0.141***	-0.014	-0.007
Had a credit card in 2004		-0.007	0.000	-0.001	0.002
(Cum UG amt borrowed)/10,000			-0.066***	-0.016	-0.038***
(Cum UG amt borrowed)/(100M)			0.007***	-0.000***	0.003***
Highest attainment by 2009: AA/AS				0.081***	0.091***
Highest attainment by 2009: Certificate				0.135***	0.155***
Highest attainment by 2009: Still enrolled in undergrad				0.120***	0.119***
Highest attainment by 2009: Left without degree				0.177***	0.196***
Last known GPA				-0.076***	-0.078***
GPA:missing				-0.207***	-0.210***
Employed, not enrolled in Year 6					0.047**
Employment status missing					0.122***
Total household income in 2009/10,000					-0.000
Debt-to-income ratio in 2009 (0-100)					0.002***
Monthly repayment: 2009/100					-0.000
Observations	10,180	10,180	10,180	10,180	10,180
Adj. R-squared (OLS)	0.078	0.154	0.166	0.224	0.236

Source: Author's calculations using BPS-2004 data with NSLDS supplement using WTA000. Notes: \*\*\*  $p < 0.01$ , \*\*  $p < 0.05$ , \*  $p < 0.1$ . Coefficients are from a probit regression, expressed as average marginal effects on the probability of default of a one-unit increase in the predictor. The source variable for ever defaulted within 12 years is *s15evrdef\_12y*. Sample size is rounded to the nearest 10.



**Appendix Table A3. Explaining patterns of default by race/ethnicity (undergraduate borrowers only)**

VARIABLES	Controlling for additional factors				
	Model 1: Baseline diffs	Model 2: BG chars, scores and credit card	Model 3: Borrowing amts	Model 4: Attainment and GPA	Model 5: 2009 Emp/ repayment
Black, non-hisp.	0.276***	0.137***	0.151***	0.108***	0.107***
Hispanic	0.137***	0.024	0.017	0.006	0.004
Asian or Pac. Is.	-0.096***	-0.114***	-0.113***	-0.085***	-0.085***
All other race/eth.	0.162***	0.116***	0.118***	0.086***	0.085***
Female		-0.049***	-0.045***	-0.025**	-0.028**
Age		0.004	0.003	0.009	0.008
Age-squared		-0.000	-0.000	-0.000	-0.000
Dependent student		-0.016	-0.013	-0.025	-0.020
Zero EFC		0.082***	0.072***	0.048***	0.045***
EFC/10,000		-0.216***	-0.064***	-0.045***	-0.042***
EFC squared/(100M)		0.023***	0.007***	0.005***	0.005***
Parents owned home at college entry		-0.032*	-0.039**	-0.033**	-0.029*
Parents highest ed: some coll		-0.015	-0.011	-0.006	-0.006
Parents highest ed: BA only		-0.053***	-0.045***	-0.034**	-0.032**
Parents highest ed: Graduate		-0.052***	-0.047**	-0.031*	-0.032*
Parents help while enrolled: 1 form		-0.029	-0.032	-0.025	-0.030
Parents help while enrolled: 2 forms		-0.029	-0.031	-0.032*	-0.032*
Parents help while enrolled: 3 forms		-0.039*	-0.038*	-0.036*	-0.041**
Parents help while enrolled: 4 forms		-0.017	-0.014	-0.009	-0.017
SAT or equiv		-0.000***	-0.000***	-0.000	-0.000
SAT or equiv. missing		-0.113***	-0.117***	-0.010	-0.005
Had a credit card in 2004		-0.007	0.001	-0.001	0.002
(Cum UG amt borrowed)/10,000			-0.071***	-0.016	-0.037***
(Cum UG amt borrowed)/(100M)			0.008***	-0.000***	0.003***
First institution: For-profit				0.137***	0.110***
First institution: Public four-year				0.070**	0.059**
First institution: Private NFP 4-year				0.106***	0.088***
Other sector				0.034	0.026
First institution: Moderately selective 4-year				-0.018	-0.020
First institution: Minimally selective 4-year				-0.003	-0.008
First institution: Open admission				0.036	0.035
Highest attainment by 2009: AA/AS				0.078***	0.088***
Highest attainment by 2009: Certificate				0.131***	0.153***
Highest attainment by 2009: Still enrolled in undergrad				0.117***	0.117***
Highest attainment by 2009: Left without degree				0.174***	0.193***
Last known GPA				-0.077***	-0.079***
GPA:missing				-0.207***	-0.211***
Employed, not enrolled in Year 6					0.048**
Employment status missing					0.123***
Total household income in 2009/10,000					-0.003
Debt-to-income ratio in 2009 (0-100)					0.002***
Monthly repayment: 2009/100					-0.003
Observations	10,180	10,180	10,180	10,150	10,150
Adj. R-squared (OLS)	0.059	0.138	0.152	0.224	0.237

Source: Author's calculations using BPS-2004 data with NSLDS supplement using WTA000. Notes: \*\*\*  $p < 0.01$ , \*\*  $p < 0.05$ , \*  $p < 0.1$ . Coefficients are from a probit regression, expressed as average marginal effects on the probability of default of a one-unit increase in the predictor. The source variable for ever defaulted within 12 years is *s15evrdef\_12y*. Sample size is rounded to the nearest 10.

