

# CARES Act CDR Impact Timeline

## Connecting resuming repayment impact to CDR

### By Inceptia

Based on the CARES Act and subsequent Executive Orders, student loan repayment is scheduled to resume on February 1, 2022. Many questions loom regarding Cohort Default Rates (CDR) and [the future impact](#) of all currently deferred borrowers resuming repayment at approximately the same time.

### CARES Act Impact on CDRs and Open Cohort Years

#### 2019

- Denominator: October 1, 2018 – September 30, 2019
- Impact to School's CDR: October 1, 2018 – September 30, 2021
- 2019 CDR was established in March 2020 when the CARES Act went into effect

#### 2020

- Denominator: October 1, 2019 – September 30, 2020
- Impact to school's CDR: October 1, 2019 – September 30, 2022
- 2020 CDR was established in March 2020 when the CARES Act went into effect as loans which enter repayment on February 1, 2022 cannot default prior to September 30, 2022; therefore the 2020 CDR will be zero.

#### 2021

- Denominator: October 1, 2020 – September 30, 2021
- Impact to school's CDR: October 1, 2020 – September 30, 2023
- As of February 1, 2022, 55% of the cohort year remains
- Inceptia will accept delinquent borrowers through December 1, 2022

#### 2022

- Denominator: October 1, 2021 – September 30, 2022
- Impact to school's CDR: October 1, 2021 – September 30, 2024
- As of February 1, 2022, over 88% of the cohort year remains
- Inceptia will accept delinquent borrowers through December 1, 2023

### Repayment Resumes February 1, 2022

A large number of borrowers will all reenter repayment in February 2022. This will likely result in higher delinquency placements and higher delinquency cure rates during April, May and June. After that time, placements and cures are likely to return to normal or slightly lower levels. It is expected to be a 12-month period of abnormal placement and cure rates.

[Here's why.](#)