This publication is intended to help postsecondary schools understand FY 1999 draft cohort default rate data. It explains how the Department of Education calculates cohort default rates, the effect of cohort default rates, and how to read the cohort default rate loan record detail reports. Also, it reviews electronic reports available from the Department of Education; explains how to submit draft data challenges and participation rate index challenges; and defines the responsibilities of guaranty agencies. Following an introduction, sections of the report cover general information (cohort default rates, effects of cohort default rates, loan record detail reports, electronic loan record detail reports, and student repayment history reports); information on challenges (draft data challenges, participation rate index challenges); and information for guaranty agencies on challenges (general information, information on monthly status reports, draft data challenges, participation rate index challenges). Appended are guarantor/servicer contracts arranged numerically and alphabetically, extract file layout for electronic loan record detail reports and repayment information, message classes for electronic loan record detail reports, and a request for user comments on the guide. (EV)
Draft Cohort Default Rate Guide
For FFEL Program and Direct Loan Program Loans

U.S. Department of Education
Default Management
Published December 2000
U.S. Department of Education
Useful Information

General Departmental Information

U.S. Department of Education Website
http://www.ed.gov

IFAP Website
Information for Financial Aid Professionals
Regulation Compilations, Federal
Registers, Reauthorization information,
Dear Partner letters, Training information
http://www.ifap.ed.gov

NSLDS
National Student Loan Data System
http://www.nslds.fap.ed.gov
(800) 999-8219

Title IV WAN
Title IV Wide Area Network
(800) 615-1189

Specific Office-Related Information

Student Financial Assistance (SFA)
Customer Service Call Center
csb@ed.gov
(800) 433-7327
http://www.ed.gov/offices/OSFAP
http://www.ifap.ed.gov

Collections
Collection of individual defaulted loans
assigned to the Department
(800) 621-3115
http://www.nslds.fap.ed.gov

Partner Services
Default Coordination Team
Lender and guaranty agency cohort
default rates
(202) 401-7482
http://www.ed.gov/offices/OSFAP/
IGAL/index.html

Case Management and Oversight
Certification of eligibility, audit
resolution, financial analysis, program
review, and institutional improvement
(202) 260-3616

Default Management
School cohort default rates and cohort
default rate challenges/adjustments/appeals
(202) 708-9396
http://www.ifap.ed.gov
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What is this Guide?

The Draft Cohort Default Rate Guide is a publication that the U.S. Department of Education (Department) sends to schools with their draft Federal Family Education Loan (FFEL) Program and William D. Ford Federal Direct Loan (Direct Loan) Program cohort default rate data. The FY 1999 Draft Cohort Default Rate Guide (Guide) should be used as a reference tool in understanding the FY 1999 draft cohort default rates and challenge procedures.

The guidance found in this Guide does not supersede or alter any regulatory or statutory requirements that are in effect. If the information in this Guide conflicts with the regulations or statute, the regulations and/or statute that are in effect take precedence.

The Department is working with representatives of schools and other interested parties to revise future publications of the Cohort Default Rate Guide to ensure that the information it contains is easy to understand and use. In the future, guidance that has previously been provided in separate Draft and Official Cohort Default Rate Guides will be combined and published in a single Cohort Default Rate Guide. With the release of subsequent cohort default rates, the Department intends to provide only pages that address changes/additions to the Cohort Default Rate Guide.

If you have questions, comments, or suggestions concerning the content, format, and/or structure of this Draft Cohort Default Rate Guide that you want us to consider for the revised Cohort Default Rate Guide, please fill out and return the “User Comments” worksheet in “Appendix D,” or call the Department’s Default Management office at (202) 708-6048 and ask to speak to a member of the Guide Team.
How is this Guide organized?

The material in this Guide is organized in three main chapters:

- General Information;
- Information for Schools on Challenges;

AND

- Information for Guaranty Agencies on Challenges.

The General Information chapter explains how cohort default rates are calculated, the effects of cohort default rates, and how to obtain and read loan record detail reports.

The Information for Schools on Challenges chapter includes separate sections on the types of challenges a school may submit after receiving its draft cohort default rate data. Each section provides background information on the challenge processes, identifies the eligibility requirements associated with the challenge, and outlines the submission time frames and procedures. The sections also address the various interactions that occur during the challenge process between schools, guaranty agencies, and the Department. In addition, examples are provided at the end of each section to assist the reader in further understanding the challenge process.

The Information for Guaranty Agencies on Challenges chapter provides a general information section that applies to the challenges a school may submit after receiving its draft cohort default rate data. This chapter also addresses guaranty agency reporting requirements. In addition, the chapter includes a separate section on each of the challenges available. Each challenge section within this chapter addresses the procedures for responding to a school's allegations and requests. Examples are provided at the end of the section to assist the reader in further understanding the challenge process.

The Guide also includes several appendices. The appendices include contact information for each guaranty agency and the Direct Loan servicer. In addition, the appendices provide technical information on the loan record detail reports discussed in the General Information chapter.
What is the purpose of this Guide?

The purpose of this Guide is to assist schools and other interested parties in:

◇ understanding how the Department calculates **cohort default rates** — see the "Cohort Default Rate Calculation" section beginning on page 5;

◇ understanding the effects of cohort default rates — see the "Cohort Default Rate Effects" section beginning on page 35;

◇ understanding how to read the cohort default rate **loan record detail report** — see the "Loan Record Detail Report" section beginning on page 37;

◇ understanding the electronic report associated with cohort default rates and borrower repayment information — see the "Electronic Loan Record Detail Report" and "Repayment Information" sections beginning on pages 57 and 63, respectively;

◇ submitting cohort default rate challenges — see the "Draft Data Challenge" and "Participation Rate Index Challenge" sections beginning on pages 73 and 99, respectively;

AND

◇ understanding the responsibilities of guaranty agencies with regard to cohort default rate challenges — see the "General Information for Guaranty Agencies on Challenges" section beginning on page 123.

Are the recent cohort default rate regulatory changes reflected in this Guide?

No. The revised cohort default rate regulations published by the Department in the fall of 2000 will not go into effect until July 1, 2001. Therefore, the changes to the cohort default rate process noted in those regulations do not apply to the FY 1999 draft cohort default rates and/or the FY 1999 draft challenge processes. The first cohort default rates affected by the changes to the cohort default rate regulations will be the FY 1999 official cohort default rates.
What is an FFEL Program and Direct Loan Program cohort default rate?

An FFEL Program and Direct Loan Program cohort default rate is the percentage of a school's student borrowers who enter repayment on certain Federal Family Education Loan (FFEL) Program and/or William D. Ford Federal Direct Loan (Direct Loan) Program loans during a particular fiscal year and default within the fiscal year in which the loans entered repayment or within the next fiscal year (FY). The cohort default rate may be an FFEL Program cohort default rate, a Direct Loan Program cohort rate, or a Dual-Program cohort rate depending on the type or types of student loans that are considered in calculating the rate.

A school does not select whether it has an FFEL Program cohort default rate, a Direct Loan Program cohort rate, or a Dual-Program cohort rate. The type of rate is determined on the basis of the types of loans made to students attending the school who enter repayment in a given fiscal year.

An FFEL Program cohort default rate is the cohort default rate for schools whose students have only FFEL Program loans entering repayment during a particular fiscal year. It is the percentage of a school's borrowers who enter repayment on certain FFEL Program loans during a particular fiscal year and default within the fiscal year in which the loans entered repayment or within the next fiscal year.

A Direct Loan Program cohort rate is the cohort rate for schools whose students have only Direct Loan Program loans entering repayment during a particular fiscal year. It is the percentage of a school's borrowers who enter repayment on certain Direct Loan Program loans during a particular fiscal year and default or meet other specified conditions within the fiscal year in which the loans entered repayment or within the next fiscal year.

For schools with 29 or fewer borrowers entering repayment during a fiscal year, the data is averaged over a three-year period. Please refer to page 16 for additional information on the averaging process.

1 34 CFR Section 668.17(d)
2 34 CFR Section 668.17(e)
A Dual-Program cohort rate is the cohort rate for schools whose students have both FFEL Program and Direct Loan Program loans entering repayment during a particular fiscal year. It is the percentage of a school's borrowers who enter repayment on certain FFEL Program and Direct Loan Program loans during a particular fiscal year and default or meet other specified conditions within the fiscal year in which the loans entered repayment or within the next fiscal year.

The U.S. Department of Education's (Department) regulations use the term "weighted average cohort rate" for cohort default rates for schools with student borrowers who have both FFEL Program and Direct Loan Program loans entering repayment during a fiscal year. This Guide uses the term "Dual-Program cohort rate" to describe the same rate and calculation. In addition, this Guide uses the term "cohort default rate" to refer to a school's FFEL Program cohort default rate, Direct Loan Program cohort rate, or Dual-Program cohort rate, unless otherwise specified.

Other specified conditions: For non-degree granting proprietary schools only, borrowers who have received Direct Loan Program loans are considered to be in default for the purposes of calculating a school's cohort default rate if, for a specified period of time during the cohort period in question, the borrowers are in repayment under the income contingent repayment (ICR) plan with scheduled payments that are less than 15 dollars per month and less than the interest accruing on the loan. The period of time that determines whether a borrower will be included as a defaulted borrower due to the borrower's ICR plan is based on which cohort default rate calculation the borrower is included. If the borrower is included in a cohort default rate calculation prior to FY 1998, the period of time is 270 days. If the borrower is included in the FY 1998 or a later cohort default rate calculation, the period of time is 360 days.

---

4. 34 CFR Section 668.17(f)
5. 64 Fed. Reg. 58974, 58979 (November 1, 1999) (Preamble to Final Rule)
Which types of loans are included in the cohort default rate calculation?

The FFEL Program loans included in the cohort default rate calculation are:

- Subsidized Federal Stafford loans (FFEL Stafford loans);
- Unsubsidized Federal Stafford loans (FFEL Stafford loans);

AND

- Federal Supplemental Loans for Students (Federal SLS loans).

Federal SLS loans have not been issued since July 1, 1994. However, it is possible for a Federal SLS loan to be included in a recent cohort default rate calculation if the borrower has recently entered into repayment on the Federal SLS loan.

The Direct Loan Program loans included in the cohort default rate calculation are:

- Federal Direct Subsidized Stafford/Ford loans (Direct Loan Program loans);

AND

- Federal Direct Unsubsidized Stafford/Ford loans (Direct Loan Program loans).
The following loans are NOT included in the cohort default rate calculation:

- PLUS loans;
- Federal Direct PLUS loans;
- Federal Insured Student loans;
- AND
- Federal Perkins Program loans.

Note

Federal Consolidation loans and Federal Direct Consolidation loans are not counted directly in the cohort default rate calculation. However, the status of a consolidation loan may affect how the loan(s) that was paid off by the consolidation loan is included in the cohort default rate calculation. Please refer to page 24 for more information on how consolidation loans may affect the cohort default rate calculation.

When are cohort default rates released?

The Department releases cohort default rates twice a year. Generally, the Department releases draft cohort default rates before the end of March of each year. After schools receive their draft cohort default rate data and are provided an opportunity to identify and correct any inaccuracies, the Department releases the official cohort default rates. Official cohort default rates are released to schools and the public approximately six months after the release of the draft cohort default rates BUT must be released no later than September 30th of each year.6

Note

Please note that the National Student Loan Data System (NSLDS), which contains the data used to calculate cohort default rates, is regularly updated. Therefore, a school’s draft data may differ from its official data, even if a school does not challenge its draft cohort default rate data.

6 HEA Section 435(m)(4)(D)
Who receives cohort default rates?

The draft cohort default rates are provided only to schools and are NOT released to the public. The draft cohort default rates are released to all Title IV eligible schools that the Department's records indicate:

- were participating in the FFEL Program and/or Direct Loan Program on the first day of the fiscal year on which the cohort default rate is based and may or may not have student borrowers who entered into repayment on one or more of the relevant types of loans during the fiscal year on which the cohort default rate is based;

OR

- have at one time participated in either loan program and have student borrowers who entered into repayment on one or more of the relevant types of FFEL Program and/or Direct Loan Program loans during the fiscal year on which the cohort default rate is based.

When the Department provides a school with a draft cohort default rate, the school will also receive a copy of the most recent Draft Cohort Default Rate Guide and the draft loan record detail report listing all of the student borrowers contained in the school's draft cohort default rate calculation.

The official cohort default rates are provided to schools and are released to the public. The official cohort default rates are provided to all schools that:

- are currently eligible to participate in any of the Title IV Student Financial Assistance Programs and were participating in the FFEL Program and/or Direct Loan Program on the first day of the fiscal year for which the cohort default rate is based and may or may not have student borrowers who entered into repayment on one or more of the relevant types of loans during the fiscal year on which the cohort default rate is based;

OR
are currently eligible to participate in any of the Title IV Student Financial Assistance Programs and have student borrowers who entered into repayment on one or more of the relevant types of FFEL Program and/or Direct Loan Program loans during the fiscal year on which the cohort default rate is based.

When the Department provides a school with an official cohort default rate, the school will also receive a copy of the most recent *Cohort Default Rate Guide*. In addition, if the school's official cohort default rate is ten percent or greater, an official loan record detail report listing all of the student borrowers contained in the school's official cohort default rate calculation will be provided.

The Department is currently working to revise the entire layout of the next version of this Guide to make the Guide a more user-friendly document. With the release of the FY 1999 official cohort default rates, it is the Department's intent to release a *Cohort Default Rate Guide* that will combine the draft and official *Cohort Default Rate Guide* information. With the release of subsequent cohort default rates, the Department intends to provide only pages that address changes/additions to the *Cohort Default Rate Guide*.

The public can request a listing of all of the official cohort default rates in the form of a press package. The press package also contains a listing of those schools that are subject to sanctions as a result of official cohort default rates. For a copy of the most recent press package please call (202) 708-9396 or visit the Department's website at http://www.ifap.ed.gov.

**Why are cohort default rates important?**

The *draft* cohort default rates are important because the data used to calculate the draft cohort default rate forms the basis of a school's official cohort default rate. Although there are no sanctions or consequences associated with a *draft* cohort default rate, it is important to review the data used to calculate the draft cohort default rate to ensure the accuracy of the data. A school *that fails to challenge the accuracy of its draft cohort default rate data through a draft data challenge may be precluded from challenging the accuracy of the data used in calculating its official cohort default rate*. Therefore, it is critical that all schools review their draft cohort default rate data.
Please refer to the "Draft Data Challenge" section beginning on page 73 for more information on challenging a school's draft cohort default rate data.

In addition, because in certain circumstances a school may be able to avoid the consequences associated with its official cohort default rates by submitting a successful participation rate index challenge based on its cohort default rate, the school should review its enrollment data in relation to its cohort default rate to determine if it qualifies to submit a participation rate index challenge.

Please refer to the "Participation Rate Index Challenge" section beginning on page 99 for more information on submitting a participation rate index challenge.

The official cohort default rates are important because they may affect a school's eligibility to participate in certain Title IV Student Financial Assistance Programs and because the Department may take administrative actions against a school on the basis of its official cohort default rate(s). In addition, official cohort default rates below certain thresholds may qualify a school for certain benefits associated with the disbursement of loan program funds.

The revised cohort default rate regulations published by the Department in the fall of 2000 will not go into effect until July 1, 2001. Therefore, the changes to the cohort default rate process noted in those regulations do not apply to the FY 1999 draft cohort default rates and/or the FY 1999 draft challenge processes. The first cohort default rates affected by the changes to the cohort default rate regulations will be the FY 1999 official cohort default rates.

A copy of the final rule outlining the changes to the cohort default rate regulations can be obtained at http://www.ifap.ed.gov. More information on the consequences associated with official cohort default rates will be provided in the Cohort Default Rate Guide that will be sent with a school's FY 1999 official cohort default rates.
What are the time frames of a cohort default rate?

The time frames for a cohort default rate are based on federal fiscal years. Federal fiscal years begin on October 1 of a calendar year and end on September 30 of the following calendar year.\(^7\)

Except for schools with 29 or fewer borrowers entering repayment, the cohort default rate is based on the number of borrowers who entered repayment in a single fiscal year (the denominator of the cohort default rate calculation), and of those borrowers, the number of borrowers who defaulted or met other specified conditions before the end of the next fiscal year (the numerator of the cohort default rate calculation).\(^8\) The cohort default rate for FY 1999 is based on the number of borrowers who entered repayment in FY 1999, and of those borrowers, the number who defaulted or met other specified conditions in FY 1999 or FY 2000. Therefore, the borrowers who entered repayment from October 1, 1998, through September 30, 1999, are included in the denominator of the FY 1999 cohort default rate calculation. Of those borrowers in the denominator of the cohort default rate calculation, the borrowers who defaulted or met other specified conditions from October 1, 1998, through September 30, 2000, are included in the numerator of the FY 1999 cohort default rate calculation.

Please refer to the chart on the next page for a listing of the time frames associated with seven relevant cohort default rate calculations.

---

\(^7\) 34 CFR Section 668.17(d)(2)

\(^8\) 34 CFR Section 668.17(d), (e), and (f)
## Cohort Default Rate Calculation

### Time Frames

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Borrowers Included in the Cohort Default Rate Calculation&lt;sup&gt;9&lt;/sup&gt;</th>
<th>Period of Time</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 1995</td>
<td>Borrowers who entered repayment on their loans in FY 1995 and defaulted in FY 1995 or FY 1996</td>
<td>10/1/94 to 9/30/96, 10/1/94 to 9/30/95</td>
</tr>
<tr>
<td></td>
<td>Borrowers who entered repayment on their loans in FY 1995</td>
<td></td>
</tr>
<tr>
<td>FY 1996</td>
<td>Borrowers who entered repayment on their loans in FY 1996 and defaulted in FY 1996 or FY 1997</td>
<td>10/1/95 to 9/30/97, 10/1/95 to 9/30/96</td>
</tr>
<tr>
<td></td>
<td>Borrowers who entered repayment on their loans in FY 1996</td>
<td></td>
</tr>
<tr>
<td>FY 1997</td>
<td>Borrowers who entered repayment on their loans in FY 1997 and defaulted in FY 1997 or FY 1998</td>
<td>10/1/96 to 9/30/98, 10/1/96 to 9/30/97</td>
</tr>
<tr>
<td></td>
<td>Borrowers who entered repayment on their loans in FY 1997</td>
<td></td>
</tr>
<tr>
<td>FY 1998</td>
<td>Borrowers who entered repayment on their loans in FY 1998 and defaulted in FY 1998 or FY 1999</td>
<td>10/1/97 to 9/30/99, 10/1/97 to 9/30/98</td>
</tr>
<tr>
<td></td>
<td>Borrowers who entered repayment on their loans in FY 1998</td>
<td></td>
</tr>
<tr>
<td>FY 1999</td>
<td>Borrowers who entered repayment on their loans in FY 1999 and defaulted in FY 1999 or FY 2000</td>
<td>10/1/98 to 9/30/00, 10/1/98 to 9/30/99</td>
</tr>
<tr>
<td></td>
<td>Borrowers who entered repayment on their loans in FY 1999</td>
<td></td>
</tr>
<tr>
<td>FY 2000</td>
<td>Borrowers who entered repayment on their loans in FY 2000 and defaulted in FY 2000 or FY 2001</td>
<td>10/1/99 to 9/30/01, 10/1/99 to 9/30/00</td>
</tr>
<tr>
<td></td>
<td>Borrowers who entered repayment on their loans in FY 2000</td>
<td></td>
</tr>
<tr>
<td>FY 2001</td>
<td>Borrowers who entered repayment on their loans in FY 2001 and defaulted in FY 2001 or FY 2002</td>
<td>10/1/00 to 9/30/02, 10/1/00 to 9/30/01</td>
</tr>
<tr>
<td></td>
<td>Borrowers who entered repayment on their loans in FY 2001</td>
<td></td>
</tr>
</tbody>
</table>

<sup>9</sup> For non-degree granting proprietary schools only, borrowers who have received Direct Loan Program loans are considered to be in default for purposes of calculating a school's cohort default rate if, for a specified period of time within the cohort period in question, the students are in repayment under the income contingent repayment (ICR) plan with scheduled payments that are less than 15 dollars per month and less than the interest accruing on the loan. Please refer to page 6 for an explanation regarding the period of time the borrower must be in an ICR plan prior to being treated as a defaulted borrower.
How does the Department calculate a school’s cohort default rate?

The formula the Department uses for calculating a school’s cohort default rate depends on the number of student borrowers from that school entering repayment in a particular fiscal year and the number of cohort default rates previously calculated for the school.

The three types of formulas used to calculate a school’s cohort default rate are:

- **Non-Average Rate Calculation** — for a school with 30 or more borrowers entering repayment during a fiscal year — (see page 15);

- **Average Rate Calculation** — for a school with 29 or fewer borrowers entering repayment during a fiscal year that had a cohort default rate calculated for the two previous fiscal years — (see pages 16 and 17);

AND

- **Unofficial Rate Calculation** — for a school with 29 or fewer borrowers entering repayment during a fiscal year that did not have a cohort default rate calculated for either or both of the two previous fiscal years — (see pages 18 and 19).

The formulas and sample calculations are shown on the next five pages.
Non-Average Rate Calculation:

For a school with **30 or more borrowers** entering repayment during FY 1999, a non-average rate is calculated. The FY 1999 **non-average cohort default rate** is calculated as follows:

\[
\text{Cohort Default Rate} = \frac{\text{Numerator}}{\text{Denominator}} \times 100
\]

where:
- **Numerator**: the number of borrowers who entered repayment in FY 1999 and defaulted or met **other specified conditions** in FY 1999 or FY 2000
- **Denominator**: the number of borrowers who entered repayment in FY 1999

**Other specified conditions**: For non-degree granting proprietary schools only, borrowers who have received Direct Loan Program loans are considered to be in default for the purposes of calculating a school’s cohort default rate if, for a specified period of time during the cohort period in question, the borrowers are in repayment under the income contingent repayment (ICR) plan with scheduled payments that are less than 15 dollars per month and less than the interest accruing on the loan. Please refer to page 6 for an explanation regarding the period of time the borrower must be in an ICR plan prior to being treated as a defaulted borrower.

**Non-Average Rate Example:**

School A, a degree-granting school, certified 117 loans for **90 borrowers** that entered repayment in FY 1999 (denominator). Of those borrowers, **8 borrowers** defaulted on a total of 16 loans in FY 1999 or FY 2000 (numerator). School A’s cohort default rate is calculated by dividing 8 by 90 and multiplying the result by 100 to produce a **non-average cohort default rate** of 8.9 percent.

\[
\frac{100 \times 8}{90} = 8.9\%
\]

---

10 34 CFR Section 668.17(d), (e), and (f)
Average Rate Calculation: For a school with 29 or fewer borrowers entering repayment during FY 1999 that had an official cohort default rate calculated for FY 1997 and FY 1998, the Department calculates an average cohort default rate for the official cohort default rates. The FY 1999 average cohort default rate is calculated as follows:

\[
\frac{\text{the total number of borrowers who entered repayment in FY 1997, FY 1998, and FY 1999 and defaulted or met other specified conditions before the end of the fiscal year immediately following the fiscal year in which the loan entered repayment}}{\text{the total number of borrowers who entered repayment in FY 1997, FY 1998, and FY 1999}}\times 100
\]

Other specified conditions: For non-degree granting proprietary schools only, borrowers who have received Direct Loan Program loans are considered to be in default for the purposes of calculating a school's cohort default rate if, for a specified period of time during the cohort period in question, the borrowers are in repayment under the income contingent repayment (ICR) plan with scheduled payments that are less than 15 dollars per month and less than the interest accruing on the loan. Please refer to page 6 for an explanation regarding the period of time the borrower must be in an ICR plan prior to being treated as a defaulted borrower.

The Department does not calculate draft average cohort default rates. Draft cohort default rates are based on one year of data, even if the official cohort default rate will be an average rate. To calculate a school’s FY 1999 average cohort default rate using the draft data, the school should refer to its official FY 1997 and FY 1998 notification letters (or if the school submitted an official adjustment and/or appeal, its appeal determination letters from the Department) to obtain the numerator and denominator for FY 1997 and FY 1998.

The following page provides an example of an average cohort default rate.

\[
11 34 CFR Section 668.17(d), (e), and (f)
\]
School B, a degree-granting school, certified loans for the following students: 50 borrowers who entered repayment in FY 1997, 44 borrowers who entered repayment in FY 1998, and 29 borrowers who entered repayment in FY 1999 (50+44+29=123, which represents the denominator). Of those 123 borrowers, 2 of the borrowers who entered repayment in FY 1997 defaulted in FY 1997 or FY 1998; 6 of the borrowers who entered repayment in FY 1998 defaulted in FY 1998 or FY 1999; and 4 of the borrowers who entered repayment in FY 1999 defaulted in FY 1999 or FY 2000 (2+6+4=12, which represents the numerator). School B’s average cohort default rate is calculated by dividing 12 by 123 and multiplying the result by 100 to produce an average cohort default rate of 9.8 percent.
Unofficial Rate Calculation: For a school with 29 or fewer borrowers entering repayment during FY 1999 that did not have a cohort default rate calculated for FY 1997 and/or FY 1998, the Department calculates an unofficial cohort default rate. The FY 1999 unofficial cohort default rate is calculated as follows:

\[
\text{Unofficial Default Rate} = \frac{\text{the number of borrowers who entered repayment in FY 1999 and defaulted or met other specified conditions in FY 1999 or FY 2000 (Numerator)}}{\text{the number of borrowers who entered repayment in FY 1999 (Denominator)}} \times 100
\]

Other specified conditions: For non-degree granting proprietary schools only, borrowers who have received Direct Loan Program loans are considered to be in default for the purposes of calculating a school's cohort default rate if, for a specified period of time during the cohort period in question, the borrowers are in repayment under the income contingent repayment (ICR) plan with scheduled payments that are less than 15 dollars per month and less than the interest accruing on the loan. Please refer to page 6 for an explanation regarding the period of time the borrower must be in an ICR plan prior to being treated as a defaulted borrower.

Draft cohort default rates are only based on one year of data, even if a school has 29 or fewer borrowers entering repayment.

The following page provides an example of an unofficial cohort default rate.
Unofficial Rate Example: School C, a degree-granting school that began participating in the FFEL Program on October 1, 1998 (i.e., the beginning of FY 1999), certified loans for 21 borrowers who entered repayment in FY 1999. Of those 21 borrowers, 2 of the borrowers who entered repayment in FY 1999 defaulted in FY 1999 or FY 2000. Because School C has 29 or fewer borrowers who entered repayment in FY 1999, a non-average rate calculation cannot be calculated for the school. However, because the school had not started participating in the FFEL Program on the first day of FY 1998 (i.e., October 1, 1997) and as a result did not have a cohort default rate calculated for FY 1998, School C does not have two previous rates with which to average its current year data. Therefore, School C's cohort default rate is calculated based on one year of data by dividing 2 by 21 and multiplying the result by 100 to produce an unofficial cohort default rate of 9.5 percent.

\[
\frac{100 \times 2}{21} = 9.5\%
\]

Since an unofficial cohort default rate does not meet the statutory definition of a cohort default rate, it cannot be used to determine sanctions or benefits when the official cohort default rates are released.
How does the Department determine which loans are placed in the denominator of the calculation?

Loans are included in the denominator of the cohort default rate calculation based on when the loans entered repayment. Except for an average cohort default rate calculation, loans included in the denominator of the FY 1999 cohort default rate calculation are the relevant FFEL Program and Direct Loan Program loans that entered repayment during FY 1999 (i.e., from October 1, 1998 through September 30, 1999).

Different loan types enter repayment under different rules.

FFEL Program Stafford loans enter repayment on the day following six months of an uninterrupted grace period after a student drops below at least half-time enrollment PROVIDED that the school timely notified the lender and/or guaranty agency of the student’s change in enrollment status. If the school does not timely notify the lender and/or guaranty agency of a student's change in enrollment status, the lender will use the best information available to determine the student’s date entered repayment. This date will be used for purposes of calculating the school's cohort default rate.

If the loan was converted into repayment before March 1, 1996, the repayment date for FFEL Program Stafford loans may be date-specific (for example, 1/16/1996) or month-specific (for example, 2/1996). On or after March 1, 1996, the repayment date is date-specific.

Direct Loan Program loans enter repayment on the day following six months of an uninterrupted grace period after a student drops below at least half-time enrollment PROVIDED that the school timely notified the Direct Loan servicer of the student’s change in enrollment status. If the school does not timely notify the Direct Loan servicer of a student’s change in enrollment status, the servicer will use the best information available to determine the student’s date entered repayment. This date will be used for purposes of calculating the school's cohort default rate.

Unlike FFEL Program loans, the date entered repayment for Direct Loan Program loans has always been date-specific.
Federal SLS loans — if not reported in a cohort default rate prior to FY 1993, the following definitions apply.

◊ If a student has a Federal SLS loan and an FFEL Program Stafford loan that were both obtained in the same period of continuous enrollment, the date entered repayment for the Federal SLS loan is the same as the date entered repayment for the FFEL Program Stafford loan.

OR

◊ In other instances, the date entered repayment for the Federal SLS loan is the day following the day a student is no longer enrolled on at least a half-time basis.

Under these guidelines for Federal SLS loans, which were implemented beginning with the FY 1993 cohort default rates, a loan that was reported as having entered repayment prior to FY 1993 might also meet the criteria to be included in FY 1993 or later. To prevent the possibility of double-counting loans, any Federal SLS loan that was reported in a cohort default rate prior to FY 1993 will not be reported again.

Please refer to the special circumstances affecting the cohort default rate calculation beginning on page 24.

How does the Department determine which loans are placed in the numerator of the calculation?

Loans must be included in the denominator of a cohort default rate calculation in order to be included in the numerator of the cohort default rate calculation.
For FFEL Program loans, only defaulted loans are included in the numerator of the calculation. For cohort default rate purposes, a loan is considered to be in default only if the guaranty agency has paid a default claim on the loan to the lender. The date the guaranty agency reimburses the lender for the defaulted loan (the claim paid date or CPD) is used to determine if the loan will be placed in the numerator of the calculation. If the claim paid date falls within the same fiscal year in which the loan entered repayment or the next fiscal year, the loan is included in both the denominator and numerator of the cohort default rate calculation.

Effective October 7, 1998, the 1998 Amendments to the Higher Education Act of 1965 (HEA), as amended, changed the definition of default for FFEL Program loans from 180 days of delinquency to 270 days of delinquency. Therefore, if a borrower's first day of delinquency on a loan occurred before October 7, 1998, the borrower's default will be based on 180 days of delinquency. However, if a borrower's first day of delinquency on a loan occurred on or after October 7, 1998, the borrower's default will be based on 270 days of delinquency. When determining a borrower's first day of delinquency, it is important to note that a borrower's first day of delinquency can change based on late payments made by a borrower (i.e., rolling delinquencies).

Example: Harry's first day of delinquency was September 15, 1998. If Harry makes two full monthly payments in October 1998, and subsequently becomes delinquent, Harry's first day of delinquency would be after October 7, 1998 and Harry would only default if he remained delinquent for 270 days.

Regardless of the number of days of delinquency used to determine a borrower's default date, if the date the claim is paid falls within the same fiscal year in which the loan entered repayment or the next fiscal year, the loan will be included in both the denominator and the numerator of the cohort default rate calculation.

\[12 \text{ 34 CFR Section 668.17(d)(1)(i)(C)}\]
For Direct Loan Program loans, loans are included in the numerator of the cohort default rate calculation when a student defaults. As a result of the change in definition of default, the definition of default for cohort default rate purposes for Direct Loan Program loans was changed from 270 days of delinquency to 360 days of delinquency. This change was effective October 7, 1998. Therefore, if a borrower defaults on a Direct Loan Program loan based on a first day of delinquency that occurred before October 7, 1998, the default will be based on 270 days of delinquency. If a borrower defaults on a Direct Loan Program loan based on a first day of delinquency that occurred on or after October 7, 1998, the default will be based on 360 days of delinquency. As with FFEL Program loans, it is important to note that the first day of delinquency may change based on late payments made by borrowers. The change in the borrower's first day of delinquency may affect whether or not the borrower is considered in default after 270 days or 360 days of delinquency.

In either circumstance, if the borrower's default date falls within the same fiscal year in which the loan entered repayment or the next fiscal year, the loan will be included in both the denominator and the numerator of the cohort default rate calculation.

In addition, for non-degree granting proprietary schools only, borrowers who have received Direct Loan Program loans are considered to be in default for purposes of calculating a school's cohort default rate if, for a specified period of time during the cohort period in question, the borrowers are in repayment under the income contingent repayment (ICR) plan with scheduled payments that are less than 15 dollars per month and less than the interest accruing on the loan. The period of time that determines whether a borrower will be included as a defaulted borrower due to the borrower's ICR plan is based on the cohort default rate calculation in which the borrower is included. If the borrower is included in a cohort default rate calculation prior to FY 1998, the period of time is 270 days. If the borrower is included in the FY 1998 or later cohort default rate calculation, the period of time is 360 days.\(^\text{13}\)

\[\text{Note}\] Please refer to the special circumstances affecting the cohort default rate calculation beginning on page 24.

\(^{13}\) 64 Fed. Reg. 58974, 58979 (November 1, 1999) (Preamble to Final Rule)
How do consolidation loans affect the numerator of the cohort default rate calculation?

A defaulted Federal Consolidation loan and/or Federal Direct Consolidation loan may cause a non-defaulted FFEL Program and/or Direct Loan Program loan to be included in the numerator of the cohort default rate calculation. This occurs if the Federal Consolidation loan and/or Federal Direct Consolidation loan, which was used to consolidate the FFEL Program and/or Direct Loan Program loan(s), defaults within the cohort period that is associated with the cohort default rate calculation in which the FFEL Program and/or Direct Loan Program loan is included.


Even though the FFEL Program loan did not default, the FFEL Program loan will be included in the numerator of the FY 1999 cohort default rate calculation because a claim was paid on the Federal Consolidation loan, which consolidated the FFEL Program loan, before the end of the FY 1999 cohort period, which is the cohort period in which Elizabeth’s FFEL Program loan was included.

Are there any special circumstances that affect how a loan will be included in the cohort default rate calculation?

There are several special circumstances that will affect how a loan is included in the cohort default rate calculation. The table beginning on the next page addresses many of these circumstances but is not intended to be representative of all of the special circumstances.
### Special Circumstances Affecting How Cohort Default Rates Are Calculated

<table>
<thead>
<tr>
<th>If...</th>
<th>Then...</th>
<th>And...</th>
</tr>
</thead>
<tbody>
<tr>
<td>A borrower obtained more than one loan to attend a school and the loans entered repayment during the same fiscal year</td>
<td>The borrower should be included in the denominator of the cohort default rate calculation in the year in which the loans entered repayment. Cohort default rates are calculated for a school based on an unduplicated borrower count. Therefore, even if a borrower has more than one loan entering repayment in a single fiscal year for a given school, that borrower will only be counted once in the denominator of the school's cohort default rate calculation.</td>
<td>The borrower should be included in the numerator of the cohort default rate calculation if one or more of the loans defaulted or met other specified conditions within the fiscal year in which the loans entered repayment or within the next fiscal year. Even if more than one loan defaulted or met other specified conditions, the borrower would be counted only once in the numerator of the school's cohort default rate calculation.</td>
</tr>
<tr>
<td>A borrower obtained more than one loan to attend a school but the repayment dates for each of the loans fall into different fiscal years</td>
<td>The borrower should be included in the denominators of the cohort default rate calculations in the years in which the loans entered repayment. The same borrower can appear in two different cohort default rate calculations for a school if the borrower has two separate loans and the repayment dates for each of the loans fall into separate fiscal years. However, the same loan cannot be used in more than one cohort default rate calculation.</td>
<td>The borrower should be included in the numerator of the cohort default rate calculation if the loan defaulted or met other specified conditions within the fiscal year in which that loan entered repayment or within the next fiscal year.</td>
</tr>
</tbody>
</table>
### Special Circumstances Affecting How Cohort Default Rates Are Calculated

<table>
<thead>
<tr>
<th>If...</th>
<th>Then...</th>
<th>And...</th>
</tr>
</thead>
<tbody>
<tr>
<td>A borrower takes out loans at more than one school</td>
<td>The loans obtained for attendance at one school are included in the denominator of that school's cohort default rate calculation and the loans obtained for attendance at any other schools are included in the denominator of the other schools' cohort default rate calculations.</td>
<td>The loans obtained for attendance at one school are included in the numerator of that school's cohort default rate calculation and the loans obtained for attendance at the other schools are included in the numerator of the other schools' cohort default rate calculations, provided that the loans defaulted or met other specified conditions within the fiscal year that the loans entered repayment or within the next fiscal year.</td>
</tr>
<tr>
<td>A borrower consolidated one or more of his/her non-defaulted loans</td>
<td>The borrower should be included in the denominator(s) of the cohort default rate calculation(s) in which the underlying loan(s) entered repayment.</td>
<td>If the consolidation loan defaulted or met other specified conditions within the fiscal year in which the underlying loan(s) entered repayment or within the next fiscal year, then the borrower should be included in the numerator(s) of the cohort default rate calculation(s).</td>
</tr>
<tr>
<td>If...</td>
<td>Then...</td>
<td>And...</td>
</tr>
<tr>
<td>-------</td>
<td>---------</td>
<td>--------</td>
</tr>
<tr>
<td>A borrower consolidated one or more of his/her defaulted loans</td>
<td>The borrower should be included in the denominator(s) of the cohort default rate calculation(s) in which the underlying loan(s) entered repayment.</td>
<td>If the underlying loan(s) defaulted or met other specified conditions within the fiscal year in which the underlying loan(s) entered into repayment or within the next fiscal year, then the borrower should be included in the numerator(s) of the cohort default rate calculation(s).</td>
</tr>
<tr>
<td>The borrower's loan was discharged due to death, bankruptcy, and/or disability PRIOR to the borrower entering repayment</td>
<td>Because the borrower did not enter repayment, the borrower should be included in the denominator of the cohort default rate calculation based on the date the guaranty agency pays the claim based on the borrower's death, bankruptcy, and/or disability, or the date the Direct Loan servicer acknowledges the borrower's death, bankruptcy, and/or disability provided that the lender, guaranty agency, and/or Direct Loan servicer was timely notified of the borrower's death, bankruptcy, and/or disability.</td>
<td>The borrower should NOT be included in the numerator of the cohort default rate calculation because the loan did not default prior to the death, bankruptcy, and/or disability.</td>
</tr>
<tr>
<td>If...</td>
<td>Then...</td>
<td>And...</td>
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<tr>
<td>-------</td>
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<td>--------</td>
</tr>
<tr>
<td>The borrower's loan was discharged due to death, bankruptcy, and/or disability AFTER the borrower entered repayment BUT prior to the borrower defaulting</td>
<td>The borrower should be included in the denominator of the cohort default rate calculation based on the fiscal year in which the loan entered repayment.</td>
<td>PROVIDED that the lender, guaranty agency, and/or Direct Loan servicer was timely notified of the borrower's death, bankruptcy, and/or disability, the borrower should NOT be included in the numerator of the cohort default rate calculation because the loan did not default prior to the death, bankruptcy, and/or disability.</td>
</tr>
<tr>
<td>The borrower's loan was discharged due to death, bankruptcy, and/or disability AFTER the borrower defaulted&lt;sup&gt;14&lt;/sup&gt;</td>
<td>The borrower should be included in the denominator of the cohort default rate calculation based on the fiscal year in which the loan entered repayment.</td>
<td>The borrower should be included in the numerator of the cohort default rate calculation if, prior to discharge, the loan defaulted or met other specified conditions within the fiscal year in which the loan entered repayment or the next fiscal year.</td>
</tr>
<tr>
<td>A payment is made on a loan by the school, its owner, agent, or another entity or individual affiliated with the school to avoid default by the borrower&lt;sup&gt;15&lt;/sup&gt;</td>
<td>The borrower should be included in the denominator of the cohort default rate calculation based on the fiscal year in which the loan entered repayment.</td>
<td>The borrower should be included in the numerator of the cohort default rate calculation because the loan is treated as in default for cohort default rate purposes.</td>
</tr>
</tbody>
</table>

<sup>14</sup> 34 CFR Section 682.402 and 685.212  
<sup>15</sup> HEA Section 435(m)(2)(B), 34 CFR Section 668.17(d)(1)(ii)(B), (e)(2)(ii), and (f)(2)(ii)
### Special Circumstances Affecting How Cohort Default Rates Are Calculated

<table>
<thead>
<tr>
<th>If...</th>
<th>Then...</th>
<th>And...</th>
</tr>
</thead>
<tbody>
<tr>
<td>A loan was fully refunded to the lender/Direct Loan servicer (i.e., cancelled) within 120 days of disbursement</td>
<td>The borrower should NOT be included in the denominator of the cohort default rate calculation because cancelled loans are not included in the cohort default rate calculation.</td>
<td>The borrower should NOT be included in the numerator of the cohort default rate calculation because cancelled loans are not included in the cohort default rate calculation.</td>
</tr>
<tr>
<td>A loan was partially refunded to the lender/Direct Loan servicer or was not fully refunded within 120 days of disbursement</td>
<td>The borrower should be included in the denominator of cohort default rate calculation based on the fiscal year in which the loan entered repayment.</td>
<td>The borrower should be included in the numerator of the cohort default rate calculation if the portion of the loan that was not refunded, defaults or meets other specified conditions within the fiscal year the loan entered repayment or the next fiscal year.</td>
</tr>
<tr>
<td>A borrower requested and was granted a revised repayment schedule that started before the date the borrower was originally scheduled to enter repayment</td>
<td>The borrower should be included in the denominator of the cohort default rate calculation based on the fiscal year in which that early repayment schedule start date falls.</td>
<td>The borrower should NOT be included in the numerator of the cohort default rate calculation if the loan did not default or meet other specified conditions.</td>
</tr>
<tr>
<td>If...</td>
<td>Then...</td>
<td>And...</td>
</tr>
<tr>
<td>-------</td>
<td>------------------------------------------------------------------------</td>
<td>------------------------------------------------------------------------</td>
</tr>
<tr>
<td>A borrower defaulted on a loan but it was rehabilitated for cohort default rate purposes before the end of the cohort period associated with the fiscal year in which the borrower entered repayment</td>
<td>The borrower should be included in the denominator of the cohort default rate calculation based on the fiscal year in which the loan entered repayment.</td>
<td>The borrower should NOT be included in the numerator of the cohort default rate calculation because the loan is not considered in default.</td>
</tr>
<tr>
<td>A borrower paid the loan in-full PRIOR to the date the borrower was originally scheduled to enter repayment</td>
<td>The borrower should be included in the denominator of the cohort default rate calculation based on the fiscal year that the borrower paid the loan in-full. The paid in-full date becomes the new repayment date.</td>
<td>The borrower should NOT be included in the numerator of the cohort default rate calculation because the loan never defaulted or met other specified conditions.</td>
</tr>
<tr>
<td>A borrower paid the loan in-full AFTER defaulting on the loan and the borrower did not successfully rehabilitate his/her loan before the end of the cohort period associated with the fiscal year in which the borrower entered repayment</td>
<td>The borrower should be included in the denominator of the cohort default rate calculation based on the fiscal year in which the loan entered repayment.</td>
<td>The borrower should be included in the numerator of the cohort default rate calculation if the loan defaulted or met other specified conditions within the fiscal year in which the loan entered repayment or the next fiscal year.</td>
</tr>
</tbody>
</table>

HEA Section 428 F(a), 435(m)(2)(C), and 34 CFR Section 682.405(a): An FFEL Program loan is rehabilitated if a borrower has made 12 consecutive, voluntary, on-time monthly payments before the end of the cohort period in which the student entered repayment and the loan is sold to a lender.

HEA Section 451(b)(2), 455(a)(1), and 34 CFR Section 685.211(e): A Direct Loan Program loan is rehabilitated if a borrower has made 12 consecutive on-time monthly payments before the end of the cohort period in which the borrower entered repayment.
<table>
<thead>
<tr>
<th>If...</th>
<th>Then...</th>
<th>And...</th>
</tr>
</thead>
<tbody>
<tr>
<td>A lender repurchased a loan because the guaranty agency determined that the lender failed to meet the insurance requirements</td>
<td>The loan should NOT be included in the denominator of the cohort default rate calculation because uninsured loans are not included in the cohort default rate calculation.</td>
<td>The loan should NOT be included in the numerator of the cohort default rate calculation because uninsured loans are not included in the cohort default rate calculation.</td>
</tr>
<tr>
<td>A lender repurchased a loan because it incorrectly submitted a claim on the loan to the guaranty agency AND the lender immediately requested that the loan be returned AND did not subsequently submit another claim</td>
<td>The loan should be included in the denominator of the cohort default rate calculation based on the fiscal year in which the loan entered repayment.</td>
<td>The loan should NOT be included in the numerator of the cohort default rate calculation because the loan is not a defaulted loan.</td>
</tr>
<tr>
<td>A lender repurchased a loan because it incorrectly submitted a claim on the loan to the guaranty agency AND the lender immediately requested that the loan be returned AND then the lender subsequently submits another claim on the loan and that claim is paid within the cohort period associated with the fiscal year the loan entered repayment</td>
<td>The loan should be included in the denominator of the cohort default rate calculation based on the fiscal year in which the loan entered repayment.</td>
<td>The loan should be included in the numerator of the cohort default rate calculation because a subsequent claim was submitted and paid within the cohort period associated with the fiscal year the loan entered repayment.</td>
</tr>
<tr>
<td>If...</td>
<td>Then...</td>
<td>And...</td>
</tr>
<tr>
<td>-------</td>
<td>---------</td>
<td>--------</td>
</tr>
<tr>
<td>A lender repurchased a loan on which a claim had been paid because the borrower established a new payment plan and is making payments, OR the lender/servicer simply requests the repurchase (i.e., a courtesy repurchase) AND the loan does not meet the rehabilitation criteria discussed on page 30.</td>
<td>The loan should be included in the denominator of the cohort default rate calculation based on the fiscal year in which the loan entered repayment.</td>
<td>Since the loan is considered a defaulted loan for cohort default rate purposes, the loan should be included in the numerator of the cohort default rate calculation if the original claim was paid within the cohort period associated with the cohort default rate in which the loan entered repayment.</td>
</tr>
</tbody>
</table>
How does adding and subtracting loans from the cohort default rate calculation affect a school's cohort default rate?

The following chart describes the effect that the movement of a loan has on a cohort default rate calculation.

### Results of Adding and Subtracting Loans

<table>
<thead>
<tr>
<th>If...</th>
<th>And the Department...</th>
<th>Then the following change to the cohort default rate results:</th>
</tr>
</thead>
<tbody>
<tr>
<td>the borrower has no other loans in the CDR calculation</td>
<td></td>
<td></td>
</tr>
<tr>
<td>the borrower has other non-defaulted loan(s) correctly included in the CDR calculation</td>
<td></td>
<td></td>
</tr>
<tr>
<td>the borrower has other defaulted loan(s) correctly included in the CDR calculation</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Key</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>CDR</td>
<td>Cohort Default Rate</td>
</tr>
<tr>
<td>N</td>
<td>Numerator</td>
</tr>
<tr>
<td>D</td>
<td>Denominator</td>
</tr>
<tr>
<td>B</td>
<td>Both Numerator and Denominator</td>
</tr>
</tbody>
</table>

40 FY 1999 Draft Cohort Default Rate Guide
Cohort Default Rate Effects

Are there any consequences associated with draft cohort default rates?

No. However, there are consequences associated with official cohort default rates. Since the draft cohort default rate data form the basis of the official cohort default rates, and since a school may be unable to appeal or request an adjustment of its official cohort default rate if it fails to challenge its draft cohort default rate data, it is critical that a school review its draft cohort default rate data as soon as it is released by the U.S. Department of Education (Department) to ensure the cohort default rate data's accuracy.

Are there any consequences associated with official cohort default rates?

Yes. The Higher Education Act of 1965 (HEA), as amended and the Department's regulations describe the sanctions and benefits that apply when a school's official cohort default rate(s) meets certain levels.

The regulations that describe the sanctions and consequences associated with official cohort default rates were recently revised. The revised cohort default rate regulations published by the Department in the fall of 2000 will not go into effect until July 1, 2001. Therefore, the changes to the cohort default rate process noted in those regulations do not apply to the FY 1999 draft cohort default rates and/or the FY 1999 draft challenge processes. The first cohort default rates affected by the changes to the cohort default rate regulations will be the FY 1999 official cohort default rates.
The Department's Information for Financial Aid Professionals website at http://www.ifap.ed.gov contains a copy of the newly revised regulations. Please refer to 34 CFR Section 668.187 and 668.188 for a description of the sanctions and consequences that will be associated with official cohort default rates after July 1, 2001. The Cohort Default Rate Guide will contain information on the sanctions and consequences associated with official cohort default rates. The Cohort Default Rate Guide will be provided to schools at the time the FY 1999 official cohort default rates are released.
What is a loan record detail report?

A loan record detail report, is a report that contains information on Federal Family Education Loan (FFEL) Program loans and/or William D. Ford Federal Direct Loan (Direct Loan) Program loans used to calculate a school's cohort default rate. The loan record detail report lists a school's loan activity, including but not limited to:

- the number of borrowers who entered repayment during a given fiscal year (FY);
- the loan status of those borrowers;
- AND
- the school's cohort default rate.

It is important that schools maintain a copy of all loan record detail reports received from the U.S. Department of Education (Department). These reports will be useful if a school files a challenge, adjustment, and/or appeal at a later date.

Which schools receive hardcopy draft loan record detail reports?

The Department sends the most recent draft loan record detail reports in a hardcopy format to all schools for which a draft cohort default rate is calculated.
Can a school request its draft loan record detail report?

Yes. If a school did not receive its draft hardcopy loan record detail report AND/OR would like to receive its draft loan record detail report in an electronic format, it should refer to the "Electronic Loan Record Detail Report" section beginning on page 57 for instructions on how to request the electronic report using the National Student Loan Data System (NSLDS) website and the user's Title IV WAN account.

If a school is unable to request the electronic loan record detail report because the school does not have an NSLDS user-ID or a Title IV WAN account, the school must contact the Department's Default Management office to obtain a copy of the report. If the school intends to submit a draft data challenge, the challenge must be submitted to each relevant entity within 45 calendar days of the school's receipt of its draft hardcopy loan record detail report.

Why should a school review its draft loan record detail report?

After the release of the draft cohort default rates, a school should review its draft loan record detail report to verify the accuracy of the loan information that will ultimately be used to calculate its official cohort default rate. Because the official cohort default rate is used to determine if the school may be subject to sanctions and/or benefits, it is important for the school to verify the accuracy of its draft data before the official cohort default rates are calculated and released to the public. Only by submitting a draft data challenge will a school preserve its right to submit certain types of adjustments/appeals after the release of the official cohort default rates.

If a school DOES NOT submit a draft data challenge, then the school will forfeit its right to challenge certain errors after the release of the official cohort default rates.

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1 34 CFR Section 668.17(j)(3)(v), 64 Fed. Reg. 58974, 58981 (November 1, 1999) (Preamble to Final Rule)
What should a school review in its loan record detail report?

A school should review the data in its loan record detail report to determine if any inaccuracies exist.

When checking for incorrect data, a school should compare its draft loan record detail report with its records and information from outside sources, including but not limited to lenders, borrowers, guaranty agencies, the Department's Direct Loan servicer, and other schools where former students are enrolled. Based on this information, the school should verify that no incorrect data is in the loan record detail report.

The school should, for example, verify:

- that the loans included in the loan record detail report are correctly reported (e.g., verify that the dates entered repayment and default dates/claim paid dates are correct);

- that all loans that should have been included in the loan record detail report are included;

AND/OR

- that loans that should not have been included were omitted from the loan record detail report.

If a school finds what it believes to be errors in the draft loan record detail report, the school is eligible to submit a draft data challenge to each relevant entity within 45 calendar days\(^2\) of receiving its draft cohort default rate hardcopy loan record detail report.

---

\(^2\) 34 CFR 668.17(j)(3)(i), 64 Fed. Reg. 58974, 58981 (November 1, 1999) (Preamble to Final Rule)
A draft data challenge should be submitted to each relevant entity that currently holds the loan or maintains the guaranty on the loan for which an error has been identified. The entity responsible for responding to challenges on a loan is identified by the guarantor/servicer code on the loan record detail report. Guaranty agency/servicer contact information is listed in "Appendix A". A school should submit a draft data challenge using the addresses listed in "Appendix A".

Please refer to the section entitled "Draft Data Challenge" beginning on page 73 for more information on submitting a draft data challenge.

**How does the Department produce loan record detail reports?**

The Department produces loan record detail reports using loan information that has been electronically submitted to NSLDS by guaranty agencies and various offices within the Department.
Will a school’s draft loan record detail report and official loan record detail report be the same?

Not necessarily. Since NSLDS is regularly updated, the data reported in a school’s draft loan record detail report might differ from the data reported in its official loan record detail report, even if a school does not challenge its draft cohort default rate data.

If new data appears in a school’s official cohort default rate calculation, the school may be eligible to submit an adjustment/appeal of its official cohort default rate based on allegations of new data errors.

Please refer to the Cohort Default Rate Guide that will be sent with a school’s FY 1999 official cohort default rates for additional information on submitting an adjustment of or appealing its official cohort default rate based on allegations of new data errors.

Are the loan record detail reports subject to the Privacy Act?

Yes, the Privacy Act of 1974 and the Family Educational Rights and Privacy Act (FERPA) apply to all cohort default rate related loan record detail reports, since they contain personally identifying information about borrowers who received FFEL Program and/or Direct Loan Program loans. The use of this material may also be governed by state and local laws and regulations. Recipients should take appropriate steps to safeguard this material, guarantee that it is used appropriately, and ensure that if it is discarded, it is done properly.

How does a school read a loan record detail report?

There are three sections to a loan record detail report. The sections are the title, body, and summary. Each section is explained in detail on the following pages. In addition, a full-page sample of the loan record detail report is shown on page 55.
TITLE

The title section is located at the top of each page of the loan record detail report. This section provides information about the loan record detail report.

The first line of the title section identifies that the loan record detail report is produced by the U.S. Department of Education. The first line also identifies the Rate Calculation Date. This is the date that the cohort default rate reflected on the loan record detail report was calculated. The Rate Calculation Date is also known as the run date.

The second line of the title section identifies that the data on the loan record detail report is generated from the National Student Loan Data System (NSLDS). It also identifies the Page Number.

The third line of the title section identifies the Cohort Year associated with the loan record detail report. It also identifies whether the loan record detail report represents draft or official cohort default rate data (Draft Loan Record Detail Report or Official Loan Record Detail Report). The third line of the title section also identifies that the loan record detail report contains information related to a school's (School) cohort default rate rather than a lender or guaranty agency's cohort default rate.
The title section on the first page of the loan record detail report also provides specific information about the school associated with the data contained in the loan record detail report.

The fourth line of the title section on the first page of the loan record detail report identifies, if applicable, whose Attention the loan record detail report should be directed to at the school. This line also identifies the school's Organization ID Number, which is the same as the OPE (Office of Postsecondary Education) ID Number. The next four lines listed on the loan record detail report contain the school's Name, Address, City, State, Country, and Postal Code. The last line also lists the Program Type. The Program Type identifies the type of loans included in the loan record detail report. Finally, the last line provides the number of Years used to calculate the school's cohort default rate.

If a school has 29 or fewer borrowers listed on its official loan record detail report and had cohort default rates calculated for the two previous years, the school's official cohort default rate will be an average cohort default rate and will be based on three years of data. However, all draft cohort default rates are based on one year of data since the Department does not calculate average draft cohort default rates.

Please refer to page 55 for a composite representation of the title section of the loan record detail report.
Following the title section, on each page of the loan record detail report, are two horizontal rows set off by hashed lines. These rows contain headers for the data contained in the body of the report. The headers are shown below.

The data listed under the headers are information on the loans used to calculate the school's cohort default rate. The headers correspond to the various data elements provided for each loan. Each loan has two rows of information.

Each of the data elements listed on the loan record detail report is described in detail on the following pages.
The first row of loan data contains eight elements.

The first four elements in the first row of loan data identify the borrower associated with the loan. These elements are the borrower’s:

- **SSN** (Social Security Number);
- **Last Name**;
- **First/M.I.** (First Name and Middle Initial);
  
  AND

- **D.O.B.** (Date of Birth).

```
<table>
<thead>
<tr>
<th>SSN</th>
<th>Last Name</th>
<th>First/M.I.</th>
<th>D.O.B.</th>
</tr>
</thead>
<tbody>
<tr>
<td>0222-22-2222</td>
<td>SMITH</td>
<td>ALICE</td>
<td>10/21/1951</td>
</tr>
<tr>
<td>0101</td>
<td>555</td>
<td>D1 DU IX</td>
<td>02/20/2000 10/01/1998</td>
</tr>
</tbody>
</table>
```

Identifies Borrower's Social Security Number

Identifies Borrower's First Name and Middle Initial

Identifies Borrower's Last Name

Identifies Borrower's Date of Birth
The last four elements in the first row of loan data identify:

- the **Original School**, which is the OPE ID number of the school that certified the loan;
- the **Class Begin Date** and **Class End Date**, which reflect the loan period of the loan;
- **AND**
- the **Academic Level**, which reflects the grade level of the borrower when the loan was obtained.

<table>
<thead>
<tr>
<th>Academic Level</th>
<th>Code</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>A</td>
<td>First Year/Graduate/Professional</td>
</tr>
<tr>
<td>2</td>
<td>B</td>
<td>Second Year/Graduate/Professional</td>
</tr>
<tr>
<td>3</td>
<td>C</td>
<td>Third Year/Graduate/Professional</td>
</tr>
<tr>
<td>4</td>
<td>D</td>
<td>Beyond Third Year/Graduate/Professional</td>
</tr>
<tr>
<td>5</td>
<td>G</td>
<td>Graduate/Professional</td>
</tr>
<tr>
<td></td>
<td>N</td>
<td>Not Available</td>
</tr>
</tbody>
</table>

Identifies the School that Certified the Loan
Identifies the Loan Period

Identifies the Grade Level

Original School
Begin Date
Class
End Date
Academic Level

Guaranty Loan/Date
Enrollment/Stat Code Date
Usage

11111100 08/25/1997 05/11/1998 B
09/30/1997 G 12/15/1999 DB

1
2
General Information

The second row of loan data contains 14 elements.

The first four elements in the second row of the loan data identify:

- the **Originating Lender/Servicer/Holder**, which represents the entity that provided the loan to the borrower;
- the **Current Lender/Servicer/Holder**, which represents the last entity to hold the loan at the time the cohort default rate was calculated;
- the **Loan Type**, which identifies whether the loan is an FFEL Program loan or Direct Loan Program loan, and whether or not the loan is subsidized and/or consolidated;

AND

- the **Loan Stat**, which identifies the repayment/default status of the loan at the time the cohort default rate was calculated. The loan status code is not used to determine how the loan is used in the cohort default rate calculation. This is determined by the date entered repayment and default date/claim paid date/negative amortization date.

---

### Identifies the Originating and Current Holder of the Loan

<table>
<thead>
<tr>
<th>SSN</th>
<th>Last Name</th>
</tr>
</thead>
<tbody>
<tr>
<td>0222-22-2222</td>
<td>SMITH</td>
</tr>
<tr>
<td>0101</td>
<td>555</td>
</tr>
</tbody>
</table>

---

### Identifies the Type of Loan

<table>
<thead>
<tr>
<th>Code</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>CL</td>
<td>FFEL Consolidated Loan</td>
</tr>
<tr>
<td>D1</td>
<td>Direct Loan Subsidized Stafford Loan</td>
</tr>
<tr>
<td>D2</td>
<td>Direct Loan Unsubsidized Stafford Loan</td>
</tr>
<tr>
<td>D4</td>
<td>Direct Loan PLUS Loan</td>
</tr>
<tr>
<td>D5</td>
<td>Direct Loan Consolidated Unsubsidized Stafford Loan</td>
</tr>
<tr>
<td>D6</td>
<td>Direct Loan Consolidated Stafford Loan</td>
</tr>
<tr>
<td>D7</td>
<td>Direct Loan Consolidated PLUS Loan</td>
</tr>
<tr>
<td>PL</td>
<td>FFEL PLUS Loan</td>
</tr>
<tr>
<td>RF</td>
<td>FFEL Refinanced Loan</td>
</tr>
<tr>
<td>SF</td>
<td>FFEL Subsidized Stafford Loan</td>
</tr>
<tr>
<td>SL</td>
<td>FFEL Supplemental Loans for Students Loan</td>
</tr>
<tr>
<td>SU</td>
<td>FFEL Unsubsidized Stafford Loan</td>
</tr>
</tbody>
</table>

---

### Identifies the Status of the Loan

<table>
<thead>
<tr>
<th>Code</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>AE</td>
<td>Assigned to the U.S. Department of Education</td>
</tr>
<tr>
<td>BC</td>
<td>Bankruptcy Claim, Discharged</td>
</tr>
<tr>
<td>BK</td>
<td>Bankruptcy Claim, Active</td>
</tr>
<tr>
<td>CA</td>
<td>Cancelled</td>
</tr>
<tr>
<td>DA</td>
<td>Deferred</td>
</tr>
<tr>
<td>DB</td>
<td>Defaulted, then Bankrupt, Active, Chapter 13</td>
</tr>
<tr>
<td>DC</td>
<td>Defaulted, Compromise</td>
</tr>
<tr>
<td>DD</td>
<td>Defaulted, then Died</td>
</tr>
<tr>
<td>DE</td>
<td>Death</td>
</tr>
<tr>
<td>DI</td>
<td>Disability</td>
</tr>
<tr>
<td>DK</td>
<td>Defaulted, then Bankrupt, Discharged, Chapter 13</td>
</tr>
<tr>
<td>DL</td>
<td>Defaulted, in Litigation</td>
</tr>
<tr>
<td>DO</td>
<td>Defaulted, then Bankrupt, Active, Other</td>
</tr>
<tr>
<td>DP</td>
<td>Defaulted, Paid-In-Full</td>
</tr>
<tr>
<td>DS</td>
<td>Defaulted, then Disabled</td>
</tr>
<tr>
<td>DT</td>
<td>Defaulted, Collection Terminated</td>
</tr>
<tr>
<td>DU</td>
<td>Defaulted, Unresolved</td>
</tr>
<tr>
<td>DW</td>
<td>Defaulted, Write-Off</td>
</tr>
<tr>
<td>DX</td>
<td>Defaulted, Six Consecutive Payments</td>
</tr>
<tr>
<td>FB</td>
<td>Forbearance</td>
</tr>
<tr>
<td>ID</td>
<td>In School or Grace Period</td>
</tr>
<tr>
<td>OD</td>
<td>Defaulted, then Bankrupt, Discharged, Other</td>
</tr>
<tr>
<td>PC</td>
<td>Paid-In-Full through Consolidation Loan</td>
</tr>
<tr>
<td>PF</td>
<td>Paid-In-Full</td>
</tr>
<tr>
<td>RF</td>
<td>Refinanced</td>
</tr>
<tr>
<td>RP</td>
<td>In Repayment</td>
</tr>
<tr>
<td>UI</td>
<td>Uninsured</td>
</tr>
</tbody>
</table>

**Note:** The current holder for ALL defaulted Direct Loan Program loans is the Department (represented by a "555" current holder code). However, all inquiries regarding Direct Loan Program loans should be sent to the Department's Direct Loan servicer at the address provided in "Appendix A".
The next three elements in the second row of loan data identify:

- **Claim Reason Code**, which identifies why a claim was paid on an FFEL Program loan or if a Direct Loan Program loan has defaulted or, for non-degree granting proprietary schools, if a Direct Loan Program loan has entered into an income contingent repayment plan with payments less than fifteen dollars per month that has resulted in negative amortization;

- **Default/NegAm Date**, which identifies the date a default claim was paid on an FFEL Program loan or the day a Direct Loan Program loan has, for cohort default rate purposes, defaulted or, for non-degree granting proprietary schools, the day the Direct Loan Program loan is considered in default due to an income contingent repayment plan with payments of less than fifteen dollars per month that resulted in negative amortization;

- The **Default/NegAm Date** determines if a loan is included in the numerator of the cohort default rate calculation.

AND

- **Repay Date**, which identifies the date the borrower entered into repayment on the loan.

The **Repay Date** determines if a loan is included in the denominator of the cohort default rate calculation.

Identifies the Claim Paid Date, the Default Date for Direct Loan Program loans, or the Date Certain Loans Under Income Contingent Repayment Plans are Considered in Default (Numerator)

---

**STUDENT**

First/M.

Claim Rsn/Code

DEFAULT/ NegAm Date

Repay Date

ALICE

02/20/2000

10/01/1998

Identifies the Claim Reason Code

Identifies the Date the Loan Entered Repayment (Denominator)
The next three elements in the second row of loan data identify:

- **the Amount**, which identifies the original principal amount of the loan;
- **the Guarantor/Servicer**, which identifies the entity that is responsible for responding to a school's inquiry about the status of the loan;
- **the Guaranty Loan/Date**, which identifies the date that the guaranty agency insured an FFEL Program loan or the first date of disbursement for a Direct Loan Program loan.

The entities responsible for responding to a school's inquiries are:

1) guaranty agencies;
2) the Department's Default Management office;
3) the Department's Direct Loan servicer.

A school should submit draft data challenges to these organizations at the addresses provided beginning on page 3 of "Appendix A."

**Note**

If a loan is considered in default due to the default of a consolidation loan, to which entity should the school submit its draft data challenge? the entity that guaranteed/originated the original loan or the entity that guaranteed/originated the consolidation loan?

If the school is challenging the date the original loan entered repayment, it should address its draft data challenge to the entity identified by the guarantor/servicer code on the loan record detail report for the original loan. If the school is challenging the default status of the consolidation loan, it should address its draft data challenge to the entity identified by the guarantor/servicer code on the loan record detail report for the consolidation loan.

The same entity is not always responsible for both loans.

<table>
<thead>
<tr>
<th>Original Amount of the Loan</th>
<th>D.O.B</th>
<th>Original School</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Amount</strong></td>
<td></td>
<td><strong>Guarantor/Servicer</strong></td>
</tr>
<tr>
<td>10/21/1951</td>
<td>0101</td>
<td>09/30/1997</td>
</tr>
<tr>
<td>$3,000</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Identifies the Date that the FFEL Program Loan was Guaranteed or the Date the Direct Loan Program Loan was First Disbursed.
The final four elements in the second row of loan data identify:

- the **Enrollment Stat Code**, which identifies the borrower’s enrollment status at the time the cohort default rate was calculated;

- the **Enrollment Stat Date**, which indicates the last date the borrower’s enrollment status changed. If no data is available, the guaranty agency or Direct Loan servicer may use 01/01/1900;

The enrollment status code and date do not necessarily reflect the borrower’s enrollment at the school reported on the loan record detail report. The enrollment status code and date may reflect subsequent enrollment by the borrower at a different school.

- the **Usage Code 1**, which identifies how the loan is used in the school’s cohort default rate calculation. The school’s cohort default rate calculation is summarized on the final page of the report;

**AND**

- the **Usage Code 2**, which identifies how the loan is counted in each individual loan program (i.e., the FFEL Program and/or the Direct Loan Program). The individual loan program count is summarized on the final page of the report.
Please refer to page 55 for a composite representation of the body section of the loan record detail report.

**SUMMARY**

The last page of the loan record detail report provides a summary of the data contained in the report.

The first line of the summary provides the **Total Dollars in Default**. The FFEL Program and Direct Loan Program entries within this field indicate the total outstanding principal balance (including any interest that has accrued on the loan since it went into default) for the defaulted loans that are included in the cohort default rate calculation. The Dual Program entry represents the outstanding principal balance for only one defaulted loan for each borrower included in the cohort default rate calculation.

The second line of the summary provides the **Total Dollars in Repayment**. The FFEL Program and Direct Loan Program entries within this field indicate the total dollar volume for loans that have entered repayment during the cohort period in question. The Dual Program entry represents the dollars in repayment for only one loan for each borrower included in the cohort default rate calculation.

The third line of the summary provides the **Total Insurance Claim Payments** for FFEL Program loans. The Total Insurance Claim Payments for FFEL Program loans indicates the actual amount of the claims that the guaranty agency paid. This amount may not equal the Total Dollars in Default for FFEL Program loans since the Total Dollars in Default includes interest that has accrued on the loan(s) since the loan(s) went into default. The Total Insurance Claim Payments does not include this additional amount.

<table>
<thead>
<tr>
<th>Identifies the Total Dollars in Default Including Accruing Interest</th>
<th>Identifies the Individual Program Titles</th>
</tr>
</thead>
<tbody>
<tr>
<td>TOTAL DOLLARS IN DEFAULT:</td>
<td>FFEL</td>
</tr>
<tr>
<td>7,900</td>
<td>5,500</td>
</tr>
<tr>
<td>TOTAL DOLLARS IN REPAYMENT:</td>
<td>28,400</td>
</tr>
<tr>
<td>TOTAL INSURANCE CLAIM PAYMENTS</td>
<td>6,000</td>
</tr>
</tbody>
</table>

Identifies the Total Amount of the Claims Paid

Identifies the Total Dollars in Repayment
The fourth line of the summary provides the **Actual Numerator Count** and the **Report Count** for the numerator of the cohort default rate calculation. The Actual Numerator Count is the total number of unduplicated borrowers included in the numerator of the cohort default rate calculation. The Report Count for the numerator represents the unduplicated borrowers listed on the loan record detail report with a “B” in the Usage Code 1 field.

The fifth line of the summary provides the **Actual Denominator Count** and the **Report Count** for the denominator of the cohort default rate calculation. The Actual Denominator Count is the total number of unduplicated borrowers included in the denominator of the cohort default rate calculation. The Report Count for the denominator represents the unduplicated borrowers listed on the loan record detail report with a “D” or “B” in the Usage Code 1 field.

The Actual Counts will be the same as the Report Counts on a school’s draft loan record detail report. However, the counts may differ on the official loan record detail report if the school’s official cohort default rate was changed due to a cohort default rate appeal. The changes resulting from the cohort default rate appeal are reflected in the Actual Counts but NOT in the Report Counts.

The fifth line of the summary also provides the **Actual Default Rate**. The Actual Default Rate is, in most cases, the school’s cohort default rate. However, if a school has 29 or fewer borrowers entering repayment in the cohort default rate calculation or if the school has a combined, substituted, or merged cohort default rate, the Actual Default Rate will not reflect the school’s cohort default rate.

**Note**

**Identifies the Unduplicated Number of Borrowers Included in the Numerator of the Cohort Default Rate Calculation**

**Identifies the Unduplicated Number of Borrowers Listed on the Loan Record Detail Report with a “B” in the Usage Code 1 Field**

**Identifies the Unduplicated Number of Borrowers Included in the Denominator of the Cohort Default Rate Calculation**

**Identifies the School’s Cohort Default Rate**

**Identifies the Unduplicated Number of Borrowers Listed in the Loan Record Detail Report with a “D” or “B” in the Usage Code 1 Field**
The sixth line of the summary provides the **Individual Program Tally**. The Individual Program Tally is NOT a school's cohort default rate – it is purely informational to tell the school the number of borrowers identified with each loan program and the number of those borrowers that have defaulted or met other specified conditions. A count is provided for both FFEL Program and Direct Loan Program borrowers if a school has loans entering repayment from each loan program.

A school does not select whether it has an FFEL Program cohort default rate or a Direct Loan Program cohort rate. The rate is based on **all** of the loans that enter repayment in a given cohort default rate calculation.

The seventh line of the summary provides the **Appealed Rate Flag**. The Appealed Rate Flag indicates whether the cohort default rate has been changed due to a cohort default rate appeal. This flag will be an "N" for all **draft** cohort default rates since schools do not have the opportunity to appeal the cohort default rates prior to receiving the cohort default rate loan record detail report.

The seventh line of the summary also provides the **IC field**. The IC field identifies the number of Direct Loan Program borrowers in the cohort default rate calculation, who attended a **non-degree granting proprietary school**, that are considered in default because they have been under an income contingent repayment plan for a specified period of time with scheduled monthly payments that are less than fifteen dollars and less than the interest accruing on the loan, resulting in negative amortization. If the school is NOT a non-degree-granting proprietary school, OR if it does not have any borrowers meeting these criteria, this field will be zero.

---

**Appealed Rate Flag**

<table>
<thead>
<tr>
<th>Code</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>D</td>
<td>Direct – School altered cohort default rate due to its own adjustment/appeal</td>
</tr>
<tr>
<td>I</td>
<td>Indirect – School cohort default rate altered due to an adjustment/appeal filed by a different school in a combination/substitution/merger</td>
</tr>
<tr>
<td>N</td>
<td>No appeal – School cohort default rate not altered by an adjustment/appeal</td>
</tr>
<tr>
<td>U</td>
<td>Unknown – Adjustment/Appeal status unknown for cohort default rate prior to FY 1993</td>
</tr>
</tbody>
</table>

---

Please refer to page 55 for a composite representation of the summary section of the loan record detail report.
**Sample Loan Record Detail Report**

**U.S. DEPARTMENT OF EDUCATION**
NATIONAL STUDENT LOAN DATA SYSTEM (NSLDS)

**Attention:** JOHN DOE  
**Organization ID Number:** 11111100

**Cohort Year:** 1999  
**Program Type:** FFEL/DL  
**Years:** 1

<table>
<thead>
<tr>
<th>SSN</th>
<th>Last name</th>
<th>First/M.I.</th>
<th>D.O.B.</th>
<th>Original</th>
<th>CLASS</th>
<th>END Date</th>
<th>Level</th>
</tr>
</thead>
<tbody>
<tr>
<td>0222-22-2222 SMITH</td>
<td>D1 DU IX</td>
<td>ALICE</td>
<td>02/20/2000</td>
<td>10/01/1998</td>
<td>$ 3,000</td>
<td>0101</td>
<td>2</td>
</tr>
<tr>
<td>0101</td>
<td>555</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>09/30/1997</td>
<td></td>
</tr>
<tr>
<td>0333-33-3333 BAKER</td>
<td>SF RP</td>
<td>EMILY</td>
<td>00/00/0000</td>
<td>05/16/1999</td>
<td>$ 2,625</td>
<td>111</td>
<td>2</td>
</tr>
</tbody>
</table>

**TOTAL DOLLARS IN DEFAULT:**  
- FFEL: 7,900  
- DIRECT: 5,500  
- DUAL: 12,500 (Based on Outstanding Principal Balance)

**TOTAL DOLLARS IN REPAYMENT:**  
- FFEL: 28,400  
- DIRECT: 11,365  
- DUAL: 31,365 (Based on Outstanding Principal Balance)

**TOTAL INSURANCE CLAIM PAYMENTS:**  
- FFEL: 6,000

**Actual Numerator Count:** 3
**Report Count:** 3 (B Usage 1 Codes only)

**Actual Denominator Count:** 5
**Report Count:** 5 (D & B Usage 1 Codes)

**INDIVIDUAL PROGRAM TALLY:**  
- FFEL: 2/3  
- DIRECT: 2/4  
- Dual: IC: 0 (Negative Amortization Only)

End of Loan Record Detail Report
What is an electronic loan record detail report?

An electronic loan record detail report is an electronic version of the hardcopy loan record detail report a school receives with its cohort default rate. The electronic report provides schools with a more efficient way to review, sort, and analyze its cohort default rate data.

This report contains the same information as the hardcopy loan record detail report and will eventually replace the hardcopy report.

Please refer to the "Loan Record Detail Report" section beginning on page 37 for a description of the data elements contained in the electronic loan record detail report.

Which schools are able to obtain an electronic loan record detail report?

Electronic loan record detail reports are available to all schools that currently or have formerly participated in any of the Title IV Student Financial Assistance Programs.

What is the format of the electronic loan record detail report?

The electronic loan record detail report is available as a preformatted report (report) or as a data file extract (extract). The report is representative of the hardcopy loan record detail report and can be accessed using standard word processing software. The extract allows a school to query the cohort default rate data based on the school's needs. The file layout for the extract is located in "Appendix B".
Electronic Loan Record Detail Report

General Information

Are there time frames associated with requesting an electronic loan record detail report?

A school may request an electronic loan record detail report at any time. However, if a school intends to submit a draft data challenge, the school must submit the draft data challenge within 45 calendar days of receiving its draft hardcopy loan record detail report.

If a school is unable to request the electronic loan record detail report because the school does not have a National Student Loan Data System (NSLDS) user-ID and/or a Title IV WAN account, contact the Department's Default Management office at (202) 708-6048 to inform the Department that it does NOT have an NSLDS user-ID and/or a Title IV WAN account but would like to request its electronic loan record detail report.

What are the procedures for requesting an electronic loan record detail report?

Electronic loan record detail reports are requested using the Department's NSLDS website. Once the request has been made via the NSLDS website, the report is delivered to the Title IV WAN mailbox associated with the NSLDS user-ID that was used to make the request. EDconn32 software is used to download the report from the user's Title IV WAN mailbox. Therefore, in order to request an electronic loan record detail report, the requestor must have an NSLDS user-ID, a Title IV WAN account, and EDconn32 software.

There are two types of NSLDS user-IDs: an on-line services only NSLDS user-ID and an on-line services and batch NSLDS user-ID. Because both NSLDS user-IDs have associated Title IV WAN mailboxes, both user-IDs can be used to request an electronic loan record detail report. However, if the on-line services only NSLDS user-ID is used to request the report, it is important to realize that the report will be placed in the Title IV WAN mailbox associated with the on-line services only user-ID and NOT in the Title IV WAN mailbox associated with the on-line services and batch user-ID.
The following provides a step-by-step description of how to request and download the electronic loan record detail report.

Step 1: Log onto the Department’s NSLDS website at www.NSLDSFAP.ed.gov by entering the user's NSLDS user-ID and password and clicking on Logon.

Step 2: Read the Privacy Act statement and confirm that you are an authorized user of NSLDS and you will adhere to the Privacy Act by clicking on I Agree.

Step 3: Once logged onto NSLDS, select the Report tab at the top of the screen.

Step 4: Under the Report function, click on the blue number box to the left side of the screen for the CDR Loan Detail Report.

Step 5: Select either Extract OR Report. This option will determine the format of the file that is provided.

- An extract allows a school to query the cohort default rate data based on the school’s needs. The file layout for the extract is located in “Appendix B.”

- A report is representative of the hardcopy loan record detail report and can be accessed using standard word processing software.

Step 6: Click on Submit.
Step 7: Verify that the information is correct and click Confirm.

Step 8: A message will appear indicating the request was successfully submitted.

Step 9: Before downloading the electronic loan record detail report from the Title IV WAN mailbox associated with the NSLDS user-ID that was used to make the request for the report, verify that the Title IV WAN mailbox has been successfully converted to receive data via the Student Aid Internet Gateway.

Note: If the Title IV WAN mailbox in question has not been successfully converted or if you are unsure if the Title IV WAN mailbox has been successfully converted to the Student Aid Internet Gateway, contact Title IV WAN Customer Service at (800) 615-1189.

Step 10: Log onto the EDconn32 software using the user-ID associated with the NSLDS user-ID that was used to make the request for the electronic loan record detail report.

Step 11: Select Now from the Transmission menu.
Step 12: Once EDconn32 has finished processing the Transmission Now request, select **Mailbox Query** from the **New** option on the **File** menu.

![Mailbox Query](image)

Step 13: EDconn32 will provide a list of those files that are available for download. From the list of files available to be downloaded, identify the electronic loan record detail report that was requested.

![List of Files](image)

The FY 1999 draft loan record detail report will be listed using the following message classes:

- **DDRE99OP** for extract files;
- **DDRR99OP** for report files.

**Note**

At the time this Guide was sent to print, it was unclear if the Department would be able to provide electronic loan record detail reports for cohort default rates other than FY 1998 and FY 1999. However, if the Department is able to provide electronic loan record detail reports for cohort default rates other than FY 1998 and FY 1999, "Appendix C" provides a complete listing of the message classes associated with cohort default rates other than FY 1998 and FY 1999.

Step 14: Place a check mark, in the **Move to TQ** column, next to the message class associated with the requested electronic loan record detail report.
Step 15: Select **Now** from the **Transmission** menu. EDconn32 will download the file to the designated directory.

Step 16: Access the file from the directory that was designated to receive the downloaded file.

**Note**

For questions about the Title IV WAN mailbox or downloading files, contact Title IV WAN Customer Service at (800) 615-1189.
Repayment Information

What is repayment information?

Repayment information is a default management tool provided by the National Student Loan Data System (NSLDS). Specifically, NSLDS, on a monthly basis, provides school-specific repayment information about students who have obtained Federal Family Education Loan (FFEL) Program loans and/or William D. Ford Federal Direct Loan (Direct Loan) Program loans to attend the school and have entered into repayment on the loans in the first 12 months of the most recent 24-month period.

Repayment Information

The following is an example of the time period covered by repayment information.

Most Recent 24-Month Period

<table>
<thead>
<tr>
<th>First 12 months</th>
<th>Last 12 months</th>
</tr>
</thead>
<tbody>
<tr>
<td>2/1/1999</td>
<td>1/31/2000</td>
</tr>
<tr>
<td>2/1/2000</td>
<td>1/31/2001</td>
</tr>
</tbody>
</table>

Does the repayment information represent a school's cohort default rate?

No, the repayment information does NOT represent the school's cohort default rate. The repayment information is provided solely as a service to help schools track loans and correct errors associated with loans that recently entered into repayment. The Department will continue to calculate cohort default rates at the prescribed intervals and will base the cohort default rate calculation on data that is in NSLDS at the time of the calculation.
Which schools are able to obtain repayment information?

Repayment information is available for all schools that participate in any of the Title IV Student Financial Assistance Programs and have students who entered into repayment on FFEL Program and/or Direct Loan Program loans during the first 12 months of the most recent 24-month period.

In what type of format is repayment information provided?

Repayment information is available in a summary format or in a detailed file format.

◊ The summary format provides a school with the number of borrowers who entered into repayment in the first 12 months of the most recent 24-month period. In addition, the summary report provides a school with the number of borrowers who entered into repayment in the first 12 months of the most recent 24-month period AND defaulted (or met other specified conditions1) during the most recent 24-month period. The summary format also separates this information by loan program (i.e., FFEL Program and Direct Loan Program).

Please refer to page 66 for information on how to obtain this repayment information.

◊ The detailed file format provides a listing of the borrowers tallied in the summary format. In addition, the file format provides information about each of the relevant loans provided to the borrowers included on the report. The information provided on the borrowers' loans is the same data as provided on a school's cohort default rate loan record detail report.

Please refer to page 67 for information on how to obtain this repayment information.

1Other specified conditions: For non-degree-granting proprietary schools only, borrowers who have received Direct Loan Program loans are considered to be in default for the purposes of calculating repayment information if, for a specified period of time, the borrowers are in repayment under the income contingent repayment (ICR) plan with scheduled payments that are less than 15 dollars per month and less than the interest accruing on the loan.
Will a school be able to access repayment information based on different 24-month periods?

A school will be able to access the summary repayment information associated with up to 17 different 24-month periods.

The following chart identifies the summary repayment information available in NSLDS between January and December 2001.

<table>
<thead>
<tr>
<th>Repayment Information 24-Month Period</th>
<th>Date Available</th>
</tr>
</thead>
<tbody>
<tr>
<td>2/1/1999 – 1/31/2001</td>
<td>February 2001</td>
</tr>
<tr>
<td>8/1/1999 – 7/31/2001</td>
<td>August 2001</td>
</tr>
<tr>
<td>10/1/1999 – 9/30/2001</td>
<td>October 2001</td>
</tr>
<tr>
<td>12/1/1999 – 11/30/2001</td>
<td>December 2001</td>
</tr>
</tbody>
</table>

The detailed file format repayment history is only available for the most recent 24-month period. Therefore, it is important that a school monitor its repayment information on a monthly basis and, if desired, download the most recent detailed file format on a monthly basis.

What are the benefits of reviewing the repayment information?

The detailed file format repayment information can assist schools in –

◊ Monitoring when borrowers enter repayment. Schools that monitor borrowers' repayment status can use the information to make sure that the borrowers that have just entered repayment are aware of all of the possible repayment, deferment, and/or forbearance options that are available. This information can help a borrower avoid default.
Ensuring the data reported to NSLDS is accurate. Schools that monitor borrowers’ repayment and default status can contact lenders/guaranty agencies/services as errors occur instead of waiting until the release of the draft cohort default rates to correct inaccuracies.

It is important to note that the repayment information only provides information about a borrower’s repayment and/or default status. The repayment information does not provide information regarding a borrower’s delinquency status. For more information about a borrower’s possible delinquency status, a school should contact the relevant lender, guaranty agency, or Direct Loan servicer.

How can a school access the summary repayment information?

The summary repayment information is available from the Department’s NSLDS website. Therefore, to access a school’s summary repayment information, an individual at the school must have an NSLDS user-ID.

To obtain an NSLDS user-ID, contact NSLDS Customer Service at (800) 999-8219.

Step 1: Log onto the Department’s NSLDS website at www.NSLDSFAP.ed.gov by entering the NSLDS user-ID and password and clicking on Logon.

Step 2: Read the Privacy Act statement and confirm that you are an authorized user of NSLDS and you will adhere to the Privacy Act by clicking on I Agree.
Step 3: Once logged onto NSLDS, select the Org tab at the top of the screen.

Step 4: Under the Org tab select Repayment Information.

Step 5: View the school’s summary repayment information.

How can a school access the detailed file format repayment information?

The detailed file format repayment information is requested using the Department’s NSLDS website. Once the request has been made via the NSLDS website, the detailed file format is delivered to the Title IV WAN mailbox associated with the NSLDS user-ID that was used to make the request. EDconn32 software is used to download the detailed file format from the user’s Title IV WAN mailbox. Therefore, in order to request detailed file format repayment information, the requestor must have an NSLDS user-ID, a Title IV WAN account, and EDconn32 software.

There are two types of NSLDS user-IDs: an on-line services only NSLDS user-ID and an on-line services and batch NSLDS user-ID. Because both NSLDS user-IDs have associated Title IV WAN mailboxes, both user-IDs can be used to request detailed file format repayment information. However, if the on-line services only NSLDS user-ID is used to request the detailed file format, it is important to realize that the detailed file format will be placed in the Title IV WAN mailbox associated with the on-line services only user-ID and NOT in the Title IV WAN mailbox associated with the on-line services and batch user-ID.
The following provides a step-by-step description of how to request and download the detailed file format repayment information.

**Step 1:** Log onto the Department's NSLDS website at www.NSLDSFAP.ed.gov by entering the NSLDS user-ID and password and clicking on Logon.

**Step 2:** Read the Privacy Act statement and confirm that you are an authorized user of NSLDS and you will adhere to the Privacy Act by clicking on I Agree.

**Step 3:** Once logged onto NSLDS, select the Report tab at the top of the screen.

**Step 4:** Under the Report function, click on the blue number box to the left side of the screen for the School Repayment Info Loan Detail.

**Step 5:** Select either Extract OR Report. This option will determine the format of the file that is provided.

- **An extract** allows a school to query the repayment information based on the school's needs. The file layout for the extract is located in "Appendix B."

- **A report** can be accessed using standard word processing software.
Step 6: Make a Loan Selection.

This option will determine which loans are included in the file that is provided.

- **ALL** will generate a detailed file that contains all of the loans included in the denominator only and numerator only reports.

- **DENOMINATOR ONLY** will generate a detailed file that contains all of the loans that enter repayment during the first 12 months of the most recent 24-month period AND did not default during the most recent 24-month period.

- **NUMERATOR ONLY** will generate a detailed file that contains only those loans that entered repayment during the first 12 months of the most recent 24-month period AND defaulted during the most recent 24-month period.

Step 7: Select the appropriate Sort By option.

This option will determine the order of the borrowers if the school elects to receive a report file. However, an option must be entered, even if the school has requested an extract file.

- **SSN** will sort the borrowers in Social Security number order.

- **CLAIM CODE, SSN** will sort the borrowers by claim code and then by Social Security number.

- **LOAN STATUS, SSN** will sort the borrowers by loan status code and then by Social Security number.

Please refer to pages 48 and 47 of the “Loan Record Detail Report” section, respectively, for a list of the claim reason codes and loan status codes.
Step 8: Read the statement regarding the content of the file requested and click on Submit.

Step 9: Verify that the information is correct and click on Confirm.

Step 10: A message will appear indicating the request was successfully submitted.

Step 11: Before downloading the file from the Title IV WAN mailbox associated with the NSLDS user-ID that was used to make the request for the detailed file format repayment information, verify that the Title IV WAN mailbox has been successfully converted to receive data via the Student Aid Internet Gateway.

Step 12: Log onto the EDconn32 software using the user-ID associated with the NSLDS user-ID that was used to make the request for the detailed file format repayment information.
Step 13: Select **Now** from the **Transmission** menu.

Step 14: Once EDconn32 has finished processing the **Transmission** **Now** request, select **Mailbox Query** from the **New** option on the **File** menu.

Step 15: EDconn32 will provide a list of those files that are available for download. From the list of files available to be downloaded, identify the detailed file format repayment information that was requested.

The detailed file format repayment information will be provided using the following message classes:

- SHNOTEOP for extract files: "OR"
- SHNOTROP for report files.

Step 16: Place a check mark, in the **Move to TQ** column, next to the message class associated with the requested detailed file format repayment information.
Step 17: Select **Now** from the Transmission menu. EDconn32 will download the file to the designated directory.

![Transmission Menu]

Step 18: Access the file from the directory that was designated to receive the downloaded file.

*Note* For questions about the Title IV WAN mailbox or downloading files, contact Title IV WAN Customer Service at (800) 615-1189.
This section is divided into two parts. The first part (pages 73 through 91) provides background information on the draft data challenge and outlines the process and procedures for submitting a draft data challenge. The second part (pages 92 through 98) provides an example of a situation that would warrant the submission of a draft data challenge and sample material as it would pertain to a draft data challenge.

To understand the draft data challenge process, the U.S. Department of Education (Department) recommends that the reader review both parts of this section.

**PART I: Background, Process, and Procedures**

**QUALIFYING**

**What is a draft data challenge?**

After the release of the draft cohort default rates, the Department provides schools an opportunity to review the draft cohort default rate data and, if necessary, work with the entity responsible for the loans included in the draft cohort default rate data to correct any errors. The process of correcting data included in the draft cohort default rates is called a draft data challenge. Since the draft data forms the basis for a school’s official cohort default rate, it is important that a school review its draft cohort default rate data and if necessary submit a draft data challenge.
Draft Data Challenge

Which schools are eligible to submit a draft data challenge?

All schools, regardless of their cohort default rate, are provided the opportunity to review draft cohort default rate data and challenge the data. This includes schools with draft cohort default rates below 25.0 percent.

Which cohort default rates may a school challenge?

A school can only directly challenge the most recent (i.e., FY 1999) draft cohort default rate data. Schools that have 29 or fewer borrowers entering repayment are also limited to challenging only the current year's draft data.

Why should a school challenge its draft data?

Challenging draft cohort default rate data enables a school to request a correction to what it believes to be inaccurate data contained in the school's draft data.

It is important to correct inaccurate data through the draft data challenge process because:

- a school will not have a second opportunity to challenge and correct the data; therefore, the school needs to ensure that no discrepancies exist between the school's records, information obtained from outside sources, and the draft loan record detail report;

AND

- the loan information included in the draft cohort default rate will be used to calculate the school's official cohort default rate; therefore, it is critical to ensure the data is accurate since official cohort default rates can result in certain sanctions against the school or benefits for the school.

AND
Information for Schools on Challenges

Draft Data Challenge

♦ it will preserve a school's right to submit an uncorrected data adjustment if the agreed upon changes are not correctly shown in the official cohort default rates;

AND

♦ it will preserve a school's right to submit an erroneous data appeal on the basis of disputed data if the school is subject to sanctions after the release of the official cohort default rates.¹

What if a school does not challenge inaccurate draft data?

If a school fails to challenge inaccurate data in the draft loan record detail report, it may NOT challenge the inaccurate data at any other time.

In addition, under the Department's regulations, a school subject to consequences associated with its official cohort default rates will lose its right to submit an erroneous data appeal on the basis of disputed data if the inaccuracies in question were present in the draft cohort default rate data, but the school failed to submit a challenge of those inaccuracies during the opportunity provided immediately following the release of the draft cohort default rate data.²

Even if a school does NOT challenge any inaccurate draft data immediately following the release of the draft cohort default rate data, the school's official cohort default rate may be different from the school's draft cohort default rate since the National Student Loan Data System (NSLDS) is regularly updated with new information from several sources. These changes are referred to as new data in the official cohort default rate. Beginning with the release of the FY 1998 official cohort default rates, new data may be addressed by all schools.

For additional information on addressing new data, refer to the Cohort Default Rate Guide, which will be mailed to schools with the FY 1999 official cohort default rates.

¹ 34 CFR Section 668.17(j)(3)(v), 64 Federal Register 58974, 58981 (November 1, 1999) (Preamble to Final Rule)
² Id.
What is inaccurate data?

The term "inaccurate data" refers to information in a school's loan record detail report that is incorrect. Inaccurate data can also be loan information that was incorrectly excluded from the loan record detail report.

Inaccurate data may be identified if, in reconciling a school's draft loan record detail report against the school's records and information from outside sources, the school discovers that:

- a student is reported incorrectly in the cohort default rate calculation;
- AND/OR
- a student was incorrectly omitted from the calculation.

What should a school do if it believes there are inaccuracies in its draft data?

If a school believes there are inaccurate data in the draft cohort default rate data, it should submit a draft data challenge to the entity responsible for the loan. The entity responsible for the loan is identified by the guarantor/servicer code that is reported on the loan record detail report for the loan in question.

The entities identified by the guarantor/servicer codes in the loan record detail report includes guaranty agencies, the Department's Default Management office, and the Department's Direct Loan servicer. "Appendix A" identifies the entity associated with each guarantor/servicer code as shown on page 49.

Please refer to the "Timing and Submitting" portion of this section for detailed information on submitting a draft data challenge.

What role does a guaranty agency have in a school's draft data challenge?

A guaranty agency is required to respond to a school's timely submitted draft data challenge for those FFEL Program loans for which the agency currently maintains the guaranty.3

A listing of the codes for the guaranty agencies and the addresses to send the draft data challenges is provided in "Appendix A."

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3 34 CFR Section 668.17(j)(3)(ii), 64 Federal Register 58974, 58981 (November 1, 1999) (Preamble to Final Rule)
The agency must respond to the school's draft data challenge request within **30 calendar days** of receiving the request. If the guaranty agency does not respond within **30 calendar days**, the school should advise the Department's Default Management office in writing of the delay.

In its response to a school's request, the guaranty agency will address each of the school's allegations of inaccurate data. However, the guaranty agency is **NOT** required to respond to a draft data challenge if the 45 calendar day time frame for a school to submit such requests has expired.

Please refer to the "Information for Guaranty Agencies on Challenges" section beginning on page 123 for more information on guaranty agency responsibilities and the "Timing and Submitting" portion of this section beginning on page 86 for more information on the time frames associated with draft data challenges.

**What role does the Department have in a school's draft data challenge?**

The Department is responsible for responding to a school's draft data challenge if the challenge includes allegations regarding FFEL Program loans currently held by the Department and/or Direct Loan Program loans.

- **The Department's Default Management office** is responsible for responding to schools' inquiries regarding FFEL Program loans that are currently held by the Department. These loans are identified in the loan record detail report with a guarantor/servicer code of **555**. The address to submit a draft data challenge to the Department's Default Management office is provided in “Appendix A.”

- **The Department's Direct Loan servicer** is responsible for responding to schools' inquiries regarding ALL Direct Loan Program loans. These loans are identified in the loan record detail report with a guarantor/servicer code of **0101**. The address to submit a draft data challenge to the Department's Direct Loan servicer is provided in “Appendix A.”
Even though the Current Lender/Servicer/Holder code for defaulted Direct Loan Program loans is 555, ALL inquiries regarding Direct Loan Program loans must be directed to the Direct Loan servicer.

The Department also reviews guaranty agency responses to schools’ draft data challenges to ensure that the responses are correct. If the Department determines that the guaranty agency responses are not correct, the Department will notify the guaranty agency and the school prior to the release of the official cohort default rates that the guaranty agency’s responses were incorrect and will provide the correct responses. The Department will instruct the guaranty agency to resubmit the corrected data to NSLDS and will inform the school that if the guaranty agency fails to make the corrections prior to the release of the official cohort default rates, the Department will make the corrections after the official cohort default rates are calculated.

What if a school’s draft data challenge is sent to the wrong entity?

If a school submits a draft data challenge to the wrong entity, the draft data challenge will NOT be reviewed and the school could miss the deadline for challenging the draft data.

A draft data challenge should be submitted to the entity responsible for the loan. The entity responsible for a loan is identified by the guarantor/servicer code, which is provided for each loan on the school’s loan record detail report. Please refer to page 49 of the "Loan Record Detail Report" section for information on the location of the guarantor/servicer code on the loan record detail report. Guaranty agency/servicer contact information is listed numerically and alphabetically in “Appendix A.” A school should submit a draft data challenge to the addresses listed in “Appendix A.”

A school should only send its draft data challenge to the Department’s Default Management office if the school is challenging FFEL Program loan data included in the loan record detail report with a guarantor/servicer code of 555.
What types of allegations may a school submit as a part of a draft data challenge?

The following are examples of various types of allegations of inaccurate data a school may submit as a part of its draft data challenge.

◊ **Borrower is missing from cohort default rate calculation**

If a school believes that a borrower was incorrectly excluded from the cohort default rate calculation, it should include documentation in its challenge to prove the borrower's last day of attendance and the correct date entered repayment, along with proof that the school timely submitted the change in enrollment documentation to the lender/guaranty agency/Direct Loan servicer or the National Student Loan Data System (NSLDS), as required.

Please refer to page 20 of the "Cohort Default Rate Calculation" section for information on which borrowers should be included in the cohort default rate calculation and page 50 of the "Loan Record Detail Report" section for information on identifying how borrowers are used in the cohort default rate calculation.

◊ **Loan duplicated in cohort default rate calculations**

If a school believes that the same loan is reported in two different years of cohort default rate calculations, it should include documentation in its challenge to prove the borrower's last day of attendance and the correct date entered repayment, as well as proof that the school timely submitted the change in enrollment documentation to the lender/guaranty agency/Direct Loan servicer or NSLDS, as required. In addition, the school should provide the pages of the loan record detail reports from the two separate years of cohort default rate calculations to demonstrate that the loan was duplicated.
Please refer to the "Special Circumstances Affecting How Cohort Default Rates Are Calculated" chart on page 25 of the "Cohort Default Rate Calculation" section for information on multiple loans for one borrower and page 50 of the "Loan Record Detail Report" section for information on identifying how borrowers are used in the cohort default rate calculation.

◊ **Loan reported with an incorrect date entered repayment**

If a school believes that the date entered repayment for a loan listed on the loan record detail report is incorrect, it should include documentation in its challenge to prove the borrower's last day of attendance and the correct date entered repayment, as well as proof that the school timely submitted the change in enrollment documentation to the lender/guaranty agency/Direct Loan servicer or NSLDS, as required.

Please refer to page 20 of the "Cohort Default Rate Calculation" section for information on determining the correct date entered repayment and page 48 of the "Loan Record Detail Report" section for information on the location of the date entered repayment on the loan record detail report.

◊ **Borrower received an insufficient grace period or delinquency period**

If a school believes that a borrower received an insufficient grace period or delinquency period, the school should determine if the borrower's date entered repayment and/or claim paid date for FFEL Program loans and/or default date for Direct Loan Program loans are correct. If the date entered repayment and/or claim paid date/default date are incorrect, the school should include documentation in its challenge to prove the correct date entered repayment and/or claim paid date/default date and, in the case of the date entered repayment, proof that the school timely submitted the change in enrollment documentation to the lender/guaranty agency/Direct Loan servicer or NSLDS, as required.
Please refer to pages 20 through 32 of the "Cohort Default Rate Calculation" section for information on calculating the date entered repayment and for information on the parameters of the claim paid date/default date, and page 48 of the "Loan Record Detail Report" section for information on the location of the date entered repayment and claim paid date/default date on the loan record detail report.

◊ **Loan incorrectly converted using date-specific and/or month-specific methodology**

If the school believes a lender failed to use date-specific methodology to convert an FFEL Program loan into repayment, the school should submit the allegation as a part of its challenge. The school should include documentation in its challenge to prove the borrower’s last day of attendance and the correct date entered repayment, as well as proof that the school timely submitted the change in enrollment documentation to the lender/guaranty agency or NSLDS, as required.

Please refer to page 20 of the "Cohort Default Rate Calculation" section for information on calculating the date entered repayment and page 48 of the "Loan Record Detail Report" section for information on the location of the date entered repayment on the loan record detail report.

◊ **Federal SLS loan and FFEL Program Stafford loan entered repayment at different times**

If a school believes a Federal SLS loan and an FFEL Program Stafford loan, with different repayment dates, were given during the same period of continuous enrollment and should have the same repayment dates, the school should include documentation in its challenge to prove that the loans have different repayment dates and documentation demonstrating that the loans were given during the same period of continuous enrollment.
Please refer to page 21 of the "Cohort Default Rate Calculation" section for information on how to determine the repayment dates for Federal SLS and FFEL Stafford loans given during the same period of continuous enrollment and page 48 of the "Loan Record Detail Report" section for information on the location of the date entered repayment on the loan record detail report.

**Cancelled loans included in the cohort default rate calculation**

If a school believes that a loan included in the cohort default rate calculation has been cancelled, it should include documentation in its challenge to prove that the loan was never disbursed or was fully refunded within 120 days of disbursement.

Please refer to the "Special Circumstances Affecting How Cohort Default Rates Are Calculated" chart on page 29 of the "Cohort Default Rate Calculation" section for information on the exclusion of cancelled loans from the cohort default rate calculation and page 50 of the "Loan Record Detail Report" section for information on identifying how borrowers are used in the cohort default rate calculation.

**Discharged loans included as defaulted loans in the cohort default rate calculation**

If a school believes that a loan reported as a defaulted loan in the cohort default rate calculation was discharged due to death, bankruptcy, and/or disability PRIOR to defaulting, it should include documentation in its challenge to prove that the loan was discharged prior to defaulting and proof that the lender/guaranty agency/Direct Loan servicer was timely notified of the incident that resulted in the discharge.
Please refer to the "Special Circumstances Affecting How Cohort Default Rates are Calculated" chart on pages 27 and 28 of the "Cohort Default Rate Calculation" section for information on the exclusion of discharged loans due to death, bankruptcy, and/or disability from the cohort default rate calculation and page 50 of the "Loan Record Detail Report" section for information on identifying how borrowers are used in the cohort default rate calculation.

◇ **Defaulted loan was repurchased by the lender**

If a school believes that a defaulted loan was repurchased by the lender and should be removed from the cohort default rate calculation, the school should determine why the loan was repurchased.

◇ If the loan was repurchased by the lender because the guaranty agency determined that the lender failed to meet the insurance requirements, the loan is an **uninsured loan** and should not be included in the cohort default rate calculation. A school should request that the loan be completely removed from the cohort default rate calculation.

◇ If the loan was repurchased following the payment on a claim because the lender incorrectly submitted the loan to the guaranty agency and the lender **immediately** requested the loan be returned and a subsequent claim was not paid on the loan within the cohort period in question, the loan should not be included in the numerator of the cohort default rate calculation. The school should request that the loan be removed from the numerator of the cohort default rate calculation.
If the loan was repurchased following the payment of a claim because the borrower established a new payment plan and was making payments or if the lender/servicer simply requested the repurchase (i.e., a courtesy repurchase), the school should request that the loan be removed from the numerator of the cohort default rate calculation ONLY if the loan was successfully rehabilitated in accordance with the criteria described in the footnote of the "Special Circumstances Affecting How Cohort Default Rates are Calculated" chart on page 30 in the "Cohort Default Rate Calculation" section.

Please refer to the "Special Circumstances Affecting How Cohort Default Rates Are Calculated" chart on pages 31 and 32 of the "Cohort Default Rate Calculation" section for information on repurchased loans, and page 50 of the "Loan Record Detail Report" section for information on identifying how a loan is used in the cohort default rate calculation.

Direct Loan counted as in default due to income-contingent repayment (ICR) plan negative amortization status (for non-degree granting proprietary schools only)

If a loan has been included as a defaulted loan in the cohort default rate calculation with a claim reason code of "IN" (see page 23 describing the treatment of certain loans in repayment under the Direct Loan Income Contingent Repayment (ICR) plan as defaulted), the school should include that loan in its draft data challenge. By including the loan in its challenge, the school is asking the Direct Loan servicer to verify that the criteria for including the loan as defaulted have been met. If the Direct Loan servicer concludes, based on its review, that the loan's status has been determined accurately, and the loan meets the criteria to be counted as a defaulted loan, the Direct Loan servicer will send the school the loan's ICR repayment record. The school then reviews that record and, if it disagrees or questions the Direct Loan servicer's determination, the school may request clarification from the Direct Loan servicer under the procedures described on page 90.
Please refer to page 23 of the “Cohort Default Rate Calculation” section for the inclusion of Direct Loans counted as default because of ICR repayment plans resulting in negative amortization; pages 48 and 50 of the “Loan Record Detail Report” section for information on identifying the loan’s claim reason code and identifying how a loan is included in the cohort default rate calculation; and, the “Timing and Submitting” portion of this section beginning on page 86 for more information on this process.

Listed above are some, but not all, of the allegations a school may identify.

If the documentation submitted by the school as a part of its draft data challenge allegations was never originally submitted to the guaranty agency/Direct Loan servicer or lender, or was not submitted in a timely manner, the guaranty agency/Direct Loan servicer may respond that the data in question was determined based on the best information available at the time, and, as a result, for cohort default rate purposes, no change is warranted.

How can a draft data challenge affect a school’s official cohort default rate?

If, as a result of a draft data challenge, it is determined that the cohort default rate data is inaccurate, and the entity responsible for the inaccurate data correctly agrees to make a change to the school’s cohort default rate data, the school’s official cohort default rate should reflect the change correctly agreed to in the draft data challenge process. The change to the cohort default rate data may lower, raise, or not affect any of a school’s three most recent official cohort default rates.

If the agreed upon changes are not reflected in the official cohort default rate, a school may submit a request for adjustment after the release of the official cohort default rates.

Please refer to the next Cohort Default Rate Guide, which will be released with the FY 1999 official cohort default rates for additional information on this process.
How does a school submit a draft data challenge?

Timing is critical when submitting a draft data challenge.

Step 1: Within 45 calendar days of receipt of the hardcopy draft cohort default rate data, review the draft loan record detail report to determine if:

- a student is reported incorrectly in the draft cohort default rate calculation;
- AND/OR
- a student was incorrectly omitted from the draft cohort default rate calculation.

Please refer to page 76 for a definition of inaccurate data and pages 79 through 85 for types of allegations a school may identify.

Step 2: Within the time frames described in Step 1 (i.e., within 45 calendar days of receipt of the hardcopy draft cohort default rate data), prepare a draft data challenge for each guarantor/servicer code identified on the loan record detail report for which the school alleges errors.

A challenge MUST include the following items:

- A letter on the school's letterhead addressed to each appropriate entity responsible for responding to a school's allegation regarding a loan for which the school alleges errors.

---

4 34 CFR 668.17(j)(3)(i), 64 Fed. Reg. 58974, 58981 (November 1, 1999) (Preamble to Final Rule)
This letter should include –

- the school's **OPE ID** number;
- a **statement** indicating that the school is submitting a draft data challenge;
- the **fiscal year** to which the draft data challenge applies;

**AND**

- a **signature** by the school's President/CEO/Owner followed by a signature block providing the signer's name and job title.

Complete a separate letter for each **appropriate entity** responsible for responding to a school's allegation regarding a loan.

- A **spreadsheet** that lists the inaccurate data associated with each entity responsible for responding to the draft data challenge.

Record all inaccurate data on the **FY 1999 Draft Data Challenge** spreadsheet.

Complete a separate spreadsheet for each **appropriate entity** responsible for responding to a school's allegation regarding a loan.

- Copies of the appropriate pages from the relevant **loan record detail report(s)**.

Each allegation must be accompanied by **at least one page** of a loan record detail report.

- Include the page of the loan record detail report where the borrower appears or where the borrower should appear. Provide both pages of the loan record detail report if the borrower belongs at the end of one page or at the beginning of the next page.
If the borrower is being moved from one cohort period to another, include the page of the loan record detail report where the borrower currently appears and the page of the loan record detail report where the borrower should appear.

Relevant **supporting documentation** including, but not limited to:

- A signed and dated copy of a **letter** to the relevant lender, guaranty agency, and/or servicer that informs the entity of the student's last date of attendance and proof that the letter was timely submitted;

**AND/OR**

- A copy of a **cancelled check**, front and back, or other documentation showing that the borrower's loan was cancelled in-full within 120 days of disbursement by the lender;

**AND/OR**

- A signed and dated copy of a **Student Status Confirmation Report (SSCR)** sent to a guaranty agency that confirms the student's last date of attendance and proof that the SSCR was timely submitted;

**AND/OR**

- A screen print from the SSCR function within **NSLDS** that confirms the student's last date of attendance was timely recorded within NSLDS.
Step 3: Within the time frames described in Step 1 (i.e., within 45 calendar days of receipt of the hardcopy draft cohort default rate data), submit the draft data challenge(s) to the appropriate entity(ies) responsible for responding to the allegations of inaccurate data, as identified by the guarantor/servicer code on the loan record detail report.

When submitting a draft data challenge to an entity, please refer to the addresses in "Appendix A."

The Department recommends that the school submit its completed draft data challenge on school letterhead, with the spreadsheet, the loan record detail report information, and supporting documentation described in Step 2. The challenge should be compiled in a single tabbed binder and mailed return receipt requested or via overnight courier delivery to the appropriate entity.

A school should maintain copies of all draft data challenge cover letters, spreadsheets, loan record detail reports, and supplemental documents included in a school's draft data challenge(s). The Department recommends that the school also maintain documentation verifying receipt by the appropriate entity(ies) of all draft data challenge material.

If a school does not meet the 45 calendar day time frame for submitting a draft data challenge, the school's draft data challenge will not be reviewed.

The recommended tabs and materials for a draft data challenge are listed on the next page.

Draft data challenges are NOT sent to the Department's Default Management office UNLESS the school is challenging an FFEL Program loan that is currently held by the Department (i.e., an FFEL Program loan with a guarantor/servicer code of 555 found in the loan record detail report.)

The entity must respond to a school's draft data challenge within 30 calendar days of receiving the school's draft data challenge response.
If an entity disagrees with a school's allegations, will it provide supporting documentation to support its decision?

Yes. Anytime an entity disagrees with a school's allegation, it will provide, in its response, supporting documentation to support its decision.

In addition, the Direct Loan servicer will include, in its draft data challenge response, for non-degree granting proprietary schools only, a copy of the ICR repayment record if the Direct Loan servicer verifies that the loan is correctly considered in default.

If the Direct Loan servicer verifies, in its draft data challenge response, that the loan is correctly considered in default under the income contingent repayment plan, the Direct Loan servicer will send the borrower's ICR repayment record to the school.

However, if the Direct Loan servicer concludes that the loan should NOT be considered in default under the income contingent repayment plan, the Direct Loan servicer will NOT send the school the borrower's ICR repayment record to the school.

Please note that this is a new process only for non-degree granting proprietary schools and only with the Direct Loan servicer.

Step 4: Submit any subsequent inquiries to the appropriate entity within 5 working days of the receipt of the entity's initial response and send a copy of the subsequent inquiry letter to the Department.

Subsequent inquiries are not an opportunity for a school to provide additional supporting documentation or to submit additional allegations. The inquiries are allowed solely for a school to gain clarification based on information that was timely submitted as a part of the draft challenge process.

The entity must respond to a school's subsequent inquiry within 5 working days of receiving the school's subsequent inquiry.
The following should be sent to each entity responsible for responding to a school's draft data challenge.

The section behind Tab 1 contains:

Tab 1

- A letter on the school's letterhead with—
  - the school's OPE ID number;
  - a statement indicating that the school is submitting a draft data challenge;
  - the fiscal year to which the draft data challenge applies;
  - AND
  - the signature of the school's President/CEO/Owner, followed by a signature block providing the signer's name and job title.

Please refer to page 98 for the FY 1999 Draft Data Challenge sample letter.

The section behind Tab 2 contains:

Tab 2

- A list, in spreadsheet format, of the school's alleged data errors in the draft cohort default rate.

- Fill out a separate spreadsheet for each entity responsible for responding to one or more draft data challenge allegations.

Please refer to pages 94 and 95 for a sample spreadsheet and detailed instructions on how to create the FY 1999 Draft Data Challenge spreadsheet.

The section behind Tab 3 contains:

Tab 3

- Relevant pages of pertinent loan record detail reports.

Please refer to pages 87 and 88 for information on which pages of loan record detail reports should be included as a part of the challenge.

The section behind Tab 4 contains:

Tab 4

- Relevant supporting documentation.

Please refer to page 88 for information on the types of supporting documentation that should be included as a part of the challenge.

Note

The Department recommends that a school send all challenge correspondence return receipt requested or via commercial overnight mail/courier delivery. This will be useful to a school if it is asked to authenticate the timeliness of its challenge. A school should maintain the documentation which verifies the receipt of the challenge related material. In addition, a school should retain copies of all documentation submitted as a part of the challenge process.
Part II of the "Draft Data Challenge" section outlines a situation in which a school would benefit from submitting a draft data challenge. This part also provides sample material that should be referenced by a school when compiling the material that must be submitted by a school during the draft data challenge process.

**CONTENT REFERENCE FOR PART II**

EXAMPLE of a situation that warrants the submission of a Draft Data Challenge ................................................................. 93

Draft Data Challenge SPREADSHEET INSTRUCTIONS .................. 94

Sample Draft Data Challenge SPREADSHEET ............................... 95

Sample LOAN RECORD DETAIL REPORT ........................................ 96

Sample Draft Data Challenge SUPPORTING DOCUMENTATION ................. 97

Sample Draft Data Challenge LETTER ............................................ 98
EXAMPLE of a situation that warrants the submission of a Draft Data Challenge

After receiving its FY 1999 draft cohort default rate data, Electrical Training Institute found two inaccuracies between its records and the information shown on the FY 1999 draft loan record detail report. One alleged error was based on an FFEL Program loan currently held by the State Guaranty Agency. The other alleged error was based on a Direct Loan Program loan. Because different entities were responsible for responding to the allegations based on the loans in question, Electrical Training Institute prepared two separate draft data challenges, one for the State Guaranty Agency and one for the Direct Loan servicer.

Draft Data Challenge for the State Guaranty Agency

Within 45 calendar days of receiving its FY 1999 draft cohort default rate data, the school:

- reviewed the draft loan record detail report (please refer to the Sample LOAN RECORD DETAIL REPORT on page 96) and determined that an inaccuracy occurred;

  According to Electrical Training Institute's records and information from outside sources, both of David Smith's loans are incorrectly included in both the numerator and denominator of the FY 1999 cohort default rate. Electrical Training Institute's records show that David had two Stafford loans guaranteed by State Guaranty Agency, his last date of attendance was November 12, 1997, his date entered repayment was May 13, 1998, and he entered repayment during the FY 1998 cohort period. Because, according to the school's records, David entered repayment in the FY 1998 cohort period and did not default within the FY 1998 cohort period, Electrical Training Institute believes the loan should be removed from the FY 1999 cohort default rate calculation and counted in the denominator of the FY 1998 cohort default rate calculation.

- prepared a SPREADSHEET that outlined the inaccuracies associated with David's loan (please refer to the Sample Draft Data Challenge SPREADSHEET on page 95);

- made a copy of the page of the FY 1999 Draft LOAN RECORD DETAIL REPORT demonstrating that the loan was included in the FY 1999 draft cohort default rate data and made a copy of the page from the FY 1998 Official LOAN RECORD DETAIL REPORT demonstrating that the loan was not included in the FY 1998 cohort default rate calculation (please refer to the Sample LOAN RECORD DETAIL REPORTS on page 96);

- made copies of the SUPPORTING DOCUMENTATION, which included a copy of the letter sent to the State Guaranty Agency notifying the agency of David's last date of attendance and a copy of the certified receipt verifying that the letter was timely mailed (please refer to the Sample SUPPORTING DOCUMENTATION on page 97);

AND

- prepared a LETTER to State Guaranty Agency for its draft data challenge (please refer the Sample Draft Data Challenge LETTER on page 98).

On February 2, 2001, Electrical Training Institute then mailed the Draft Data Challenge MATERIAL via overnight courier to the State Guaranty Agency at the address found in "Appendix A."
Record all loans being challenged with the relevant entity identified by the guarantor/servicer code on the loan record detail report using a spreadsheet software application such as Excel or Lotus 1-2-3.

Fill out a separate spreadsheet for each entity responsible for responding to one or more draft data challenge allegations.

The spreadsheet should be printed on 8 ½” x 11” paper in a landscape (horizontal) layout. A sample spreadsheet follows these instructions.

Header: Enter FY 1999 Draft Data Challenge in the center of the header area. In the left-hand area, enter the school’s name, the school’s OPE ID number, the guarantor/servicer code and guaranty agency/Direct Loan servicer name associated with the allegation, and the number of borrowers and loans associated with the borrowers on the list.

Footer: Enter the date in the left side of the footer area. Set up automatic pagination in the right side of the footer area so that the specific page number and the total number of pages show on each page, for example: page 1 of 10 pages.

Only the allegations listed on the school’s spreadsheet will be reviewed. If a borrower has multiple loans that may contain inaccuracies, a school must enter data for each loan for the borrower.

On Row 1, enter exactly the same column names in exactly the same order as listed on the sample spreadsheet. Ensure that column names appear at the top of each page.

On Row 2 and below, include the following data for each loan for which the school is challenging.

A school should enter dates on the spreadsheet based on the school’s records. A school should NOT include dates based on the loan record detail report or guaranty agency and/or Direct Loan servicer if it believes those dates are incorrect.

| Column 1: | Enter the borrower’s Social Security number (SSN) using hyphens to separate the numbers (for example, 000-00-0000) |
| Column 2: | Enter the borrower’s name. |
| Column 3: | Enter the number and type of loan(s). Use the following codes: |

<table>
<thead>
<tr>
<th>Loan Type Codes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Code</td>
</tr>
<tr>
<td>D1</td>
</tr>
<tr>
<td>D2</td>
</tr>
<tr>
<td>SF</td>
</tr>
<tr>
<td>SL</td>
</tr>
<tr>
<td>SU</td>
</tr>
</tbody>
</table>

| Column 4: | Enter MM/DD/CCYY (month, day and year) to identify the earlier date of the student’s LDA (last date of attendance) or the LTH (less-than-half-time) according to the school’s records and outside sources. |
| Column 5: | Enter MM/DD/CCYY to identify the DER (date the loan entered repayment) according to the school’s records and outside sources. |
| Column 6: | Enter MM/DD/CCYY or MM/CCYY to identify the CPD (claim paid date), DD (default date), or ICRD (Income Contingent Repayment date) according to the school’s records and outside sources. |
| Column 7: | Enter the fiscal year(s) of the cohort default rate(s) which may be changed as a result of the data correction. |
| Column 8: | Enter N (numerator), D (denominator), or B (both numerator and denominator), accompanied by a plus or minus sign (such as +D or -D) to show how the school believes the information will affect the cohort default rate calculation. |
| Column 9: | Enter any comments. |
| Column 10: | Enter the appropriate guarantor/servicer code found on the loan record detail report. Each spreadsheet should only contain loans for a single entity that is responsible for responding to draft data challenges. |

Information for Schools on Challenges | Draft Data Challenge SPREADSHEET INSTRUCTIONS

MY 1999 Draft Cohort Default Rate Guide

94

CO

90

ERI

Draft Data Challenge

100

CO
Electrical Training Institute
OPE ID Number: 111111
Guarantor/servicer code: 111
State Guaranty Agency
Number of borrowers: 1
Number of loans: 2

**FY 1999 Draft Data Challenge**

Note: This is a sample spreadsheet. See instructions on the previous page.

<table>
<thead>
<tr>
<th>1. Student's SSN</th>
<th>2. Student's Name</th>
<th>3. Number and type of loan(s) (Use codes from instructions)</th>
<th>4. Earlier of LDA or LTH (MM/DD/CCYY)</th>
<th>5. Date entered repayment (DER) (MM/DD/CCYY)</th>
<th>6. CPD, DD, ICRD, or N/A (MM/DD/CCYY)</th>
<th>7. FY(s) appl.</th>
<th>8. Effect on CDR calc. (N,D, or B)</th>
<th>9. Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>333-33-3333</td>
<td>David Smith</td>
<td>1 SF</td>
<td>11/12/1997</td>
<td>05/13/1998</td>
<td>09/05/2000</td>
<td>FY 1999</td>
<td>-B</td>
<td>Borrower was incorrectly included and should be removed from the B of the FY 1999 calculation and added to the D of the FY 1998 calculation</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>FY 1998</td>
<td>+D</td>
<td></td>
</tr>
<tr>
<td>333-33-3333</td>
<td>David Smith</td>
<td>1 SU</td>
<td>11/12/1997</td>
<td>05/13/1998</td>
<td>09/05/2000</td>
<td>FY 1999</td>
<td>-B</td>
<td>Borrower was incorrectly included and should be removed from the B of the FY 1999 calculation and added to the D of the FY 1998 calculation</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>FY 1998</td>
<td>+D</td>
<td></td>
</tr>
</tbody>
</table>

Send to the relevant entity as identified by the guarantor/servicer code on the loan record detail report at the address shown in "Appendix A"
<table>
<thead>
<tr>
<th>SSN</th>
<th>Last name</th>
<th>First/M.I.</th>
<th>D.O.B</th>
<th>Program Type</th>
<th>Guarantor/ Servicer</th>
<th>Guaranty</th>
<th>Enrollment Stat/ Usage</th>
<th>Loan/Date Code Date</th>
<th>Repay Date</th>
<th>Amount</th>
<th>Origination Type Stat D.O.B</th>
<th>Repay Date</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>0222-22-2222 LEE</td>
<td>MISSY</td>
<td>10/21/1951</td>
<td>02/20/2000</td>
<td>FFEL/DL</td>
<td>0101</td>
<td>03/01/1997</td>
<td>2</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>0333-33-3333 SMITH</td>
<td>DAVID</td>
<td>05/16/1977</td>
<td>09/05/2000</td>
<td>FFEL/DL</td>
<td>111</td>
<td>08/25/1998</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>0333-33-3333 SMITH</td>
<td>DAVID</td>
<td>05/16/1977</td>
<td>09/05/2000</td>
<td>FFEL/DL</td>
<td>111</td>
<td>08/25/1998</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

David was NOT included in the FY 1998 official loan record detail report.
December 3, 1997

State Guaranty Agency
Guarantor/Servicer Code 111
ATTN: Compliance Officer
1234 Trueman Road
Lusby, North Carolina 98765-4321

Subject: Updated LDA

Dear Mr. Bowen:

Electrical Training Institute, OPE ID# 111111, wishes to inform State Guaranty Agency that the last date of attendance for David Smith (333-33-3333) is November 12, 1997.

Thank you.

Sincerely,

Robert Young, President
February 2, 2001

State Guaranty Agency
Guarantor/Servicer Code 111
ATTN: Compliance Officer
1234 Trueman Road
Lusby, North Carolina 98765-4321

Subject: FY 1999 Draft Data Challenge

Dear Mr. Bowen:

Electrical Training Institute, OPE ID#: 1111111, wishes to challenge its FY 1999 draft cohort default rate data.

Please see the enclosed spreadsheet, loan record detail reports, and relevant supporting documentation.

Thank you for your consideration.

Sincerely,

Robert Young
Robert Young, President

Enclosures
Participation Rate Index Challenge

This section is divided into two parts. The first part (pages 99 through 116) provides background information on the participation rate index challenge and outlines the process and procedures for submitting a participation rate index challenge. The second part (pages 117 through 122) provides an example of a situation that would warrant the submission of a participation rate index challenge and sample material as it would pertain to a participation rate index challenge.

To understand the participation rate index challenge process, the U.S. Department of Education (Department) recommends that the reader review both parts of this section.

PART I: Background, Process, and Procedures

What is a participation rate index?

A participation rate index is the percentage of a school's students that obtain Federal Family Education Loan (FFEL) Program and/or William D. Ford Federal Direct Loan (Direct Loan) Program loans multiplied by the school's cohort default rate.

Please refer to page 107 for a more in-depth discussion on how to calculate a participation rate index.
Which schools are eligible to submit a participation rate index challenge?

Any school, regardless of its cohort default rate, can submit a participation rate index challenge if it can demonstrate that it has a participation rate index equal to or less than 0.0375 for any of the three most recent cohort periods (i.e., FY 1997, FY 1998, and/or FY 1999).

What benefit will a school gain from submitting a participation rate index challenge?

A school that submits a successful participation rate index challenge will not be subject to the loss of eligibility to participate in the FFEL Program, Direct Loan Program, and/or Federal Pell Grant Program due to official cohort default rates that are equal to or greater than 25.0 percent for the three most recent cohort periods.

Only those schools that have (or could have) official cohort default rates that are equal to or greater than 25.0 percent for the three most recent cohort periods will receive any benefit from submitting a participation rate index challenge. Therefore, if a school is not (or could not be) subject to the loss of eligibility to participate in the FFEL Program, Direct Loan Program, and/or Federal Pell Grant Program due to official cohort default rates that are equal to or greater than 25.0 percent for the three most recent cohort periods, the school should NOT file a participation rate index challenge. If a school that could not be subject to the loss of FFEL Program, Direct Loan Program, and/or Federal Pell Grant Program due to official cohort default rates that are equal to or greater than 25.0 percent for the three most recent cohort periods files a participation rate index challenge, the Department will not review the school's participation rate index challenge and will return the challenge to the school.

Because a school can submit a participation rate index challenge for either of its two most recent official cohort default rates AND/OR its most recent draft cohort default rate, it is not necessary for a school that has submitted a successful participation rate index challenge/appeal for either of its two previous official cohort default rates (i.e., FY 1997 and/or FY 1998) to submit a participation rate index challenge based on its FY 1999 draft cohort default rate.
Before the official cohort default rates are released, the Department will automatically identify any school that has submitted a successful participation rate index challenge/appeal based on its most recent draft cohort default rate or either of the two previous cohort periods. These schools will NOT be subject to loss of eligibility to participate in the FFEL Program, Direct Loan Program, and/or Federal Pell Grant Program even if the school's three most recent official cohort default rates are equal to or greater than 25.0 percent. After the release of the official cohort default rates, the Department will also identify schools that submitted unsuccessful participation rate index challenges that would have been successful if based on the school's official cohort default rate, rather than on its draft cohort default rate. These schools will be notified that the school's applicable official cohort default rate will not be used in the future to determine if the school is subject to the loss of eligibility to participate in the FFEL Program, Direct Loan Program, and/or Federal Pell Grant Program.

A successful participation rate index challenge does NOT change a school's official cohort default rate. In addition, a successful participation rate index challenge does NOT prevent the Department from initiating an action to limit, suspend, or terminate a school from all Title IV Student Financial Assistance Programs if the school's official cohort default rate is equal to or greater than 40.1 percent.

**Which cohort default rate can be used to determine a participation rate index?**

A school may submit more than one participation rate index challenge and may choose to base a participation rate index on:

- either of the school's two most recent official cohort default rates [i.e., the FY 1998 and FY 1997 official cohort default rate(s)]

  AND/OR

- the school's most recent draft cohort default rate (i.e., the FY 1999 draft cohort default rate)
Are participation rate index challenges based on a specific period of time?

Yes. The school must base the participation rate index challenge on a 12-month period that has ended during the six months immediately preceding the fiscal year for which the cohort of students used to calculate the school's rate is determined.¹

Because a school can choose to submit a participation rate index challenge based on either of its two most recent official cohort default rates AND/OR its most recent draft cohort default rate, the time period will differ based on the cohort period used by the school.

Please refer to the next three pages for a description of acceptable 12-month periods.

¹ HEA Section 435(a)(5)(A)
A school's FY 1999 participation rate index challenge must be based on a 12-month period that ends within the six-month period that precedes FY 1999. Since the FY 1999 cohort begins on October 1, 1998, the six-month period preceding FY 1999, is from April 1, 1998 through September 30, 1998. As a result, the school's 12-month period must end no earlier than April 1, 1998, and no later than September 30, 1998. Therefore, the 12-month period must begin no earlier than April 2, 1997, and no later than October 1, 1997.

**FY 1999 Cohort Default Rate 12-Month Period**

A school should use the following time line to assist it in determining an acceptable 12-month period associated with the FY 1999 cohort default rate.

For example:

**Acceptable:** April 2, 1997 to April 1, 1998

**Not Acceptable:** April 1, 1997 to March 31, 1998

**Acceptable:** October 1, 1997 to September 30, 1998

**Not Acceptable:** October 2, 1997 to October 1, 1998
A school's FY 1998 participation rate index challenge must be based on a 12-month period that ends within the six-month period that precedes FY 1998. Since the FY 1998 cohort begins on October 1, 1997, the six-month period preceding FY 1998, is from April 1, 1997 through September 30, 1997. As a result, the school's 12-month period must end no earlier than April 1, 1997, and no later than September 30, 1997. Therefore, the 12-month period must begin no earlier than April 2, 1996, and no later than October 1, 1996.

**FY 1998 Cohort Default Rate 12-Month Period**

A school should use the following time line to assist it in determining an acceptable 12-month period associated with the FY 1998 cohort default rate.

![Diagram showing the 12-month period](image)

For example:

**Acceptable:** July 1, 1996 to June 30, 1997

**Not Acceptable:** June 30, 1996 to July 1, 1997

June 30, 1996 to July 1, 1997 is not acceptable because it represents more than a 12-month period. An acceptable 12-month period would be June 30, 1996 through June 29, 1997.
A school that chooses to submit a participation rate index challenge based on its FY 1997 official cohort default rate must select a 12-month period that ends within the six-month period that precedes FY 1997. Since the FY 1997 cohort begins on October 1, 1996, the six-month period preceding FY 1997 is from April 1, 1996, through September 30, 1996. As a result, the school's 12-month period must end no earlier than April 1, 1996, and no later than September 30, 1996. Therefore, the 12-month period must begin no earlier than April 2, 1995, and no later than October 1, 1995.

For example:

Acceptable: June 20, 1995 to June 19, 1996

Not Acceptable: June 19, 1995 to June 19, 1996

June 19, 1995 through June 19, 1996 is unacceptable because it represents more than a 12-month period. An acceptable 12-month period would be June 19, 1995 through June 18, 1996.
What happens if a school selects an unacceptable 12-month period?

If a school selects an unacceptable 12-month period, the Department will not review any portion of the school's data and the challenge will be denied and returned to the school.

To discuss whether the school has selected an acceptable 12-month period, contact the Department's Default Management office at (202) 708-9396.

What role does a guaranty agency or Direct Loan servicer have in a school's participation rate index challenge?

None. Neither a guaranty agency nor the Direct Loan servicer has a role in a school's participation rate index challenge. Participation rate index challenges are submitted directly to the Department for review and consideration.

What role does the Department have in a school's participation rate index challenge?

The Department is responsible for determining whether schools meet the established participation rate index challenge criteria.

- If the Department determines that a school **meets the participation rate index challenge criteria**, the Department will notify the school that the school's participation rate index challenge was successful. In addition, the Department will notify the school that it is NOT subject to loss of participation in certain student financial assistance programs even if the schools' three most recent official cohort default rates are equal to or greater than 25.0 percent.

- If the Department determines that a school **does not meet the participation rate index challenge criteria**, the Department will notify the school that the school's participation rate index challenge was not successful and that the school may be subject to loss of participation in certain student financial assistance programs if its three most recent official cohort default rates are equal to or greater than 25.0 percent.
How does a school calculate its participation rate index?

The participation rate index is calculated as follows:

- Number of regular students included in the denominator who received an FFEL Program loan and/or Direct Loan Program loan for a loan period that overlaps the selected 12-month period by at least one day.
- Number of regular students enrolled on at least a half-time basis during any part of the selected 12-month period.

A school must select a 12-month period that ends during the six months immediately preceding the fiscal year, which is used to determine the cohort default rate used to calculate its participation rate index. Information on how to select an acceptable 12-month period is provided on pages 102 through 105.

To succeed on a participation rate index challenge, the school must have a participation rate index of 0.0375 or less. Please refer to the next page for an example.
Example: Welding School's FY 1999 draft cohort default rate is 25.0 percent. Welding School had a total of 200 regular students enrolled on at least a half-time basis during any part of the selected 12-month period. Of those 200 students, 14 borrowers received an FFEL Program loan for a loan period that overlapped the selected 12-month period by at least one day and 12 different borrowers received a Direct Loan Program loan for a loan period that overlapped the selected 12-month period by at least one day. Welding School's participation rate index is calculated as follows:

\[
\frac{0.250}{0.0325} = \frac{14 \text{ (FFEL)} + 12 \text{ (DL)}}{200} = 0.0325
\]

Which students are included in the denominator of the participation rate index?

To be included in the denominator of the participation rate index, a student must have been —²

- a "regular student" (i.e., a student who enrolled, or was accepted for enrollment, at a school for the purpose of obtaining a degree, certificate, or other recognized educational credential offered by that school);
- enrolled on at least a half-time basis;
- enrolled for at least one day in the 12-month period selected by the school.

² CFR Section 668.17(c)(1)(ii)(A)
A student's entire enrollment period does NOT have to fall within the selected 12-month period. A student that enrolled prior to the 12-month period but completed/withdrew from the program of study during the 12-month period is considered to have been enrolled during the 12-month period. In addition, a student that enrolled during the 12-month period but completed/withdrew from the program of study after the 12-month period is considered to have been enrolled during the 12-month period. Finally, a student that enrolled prior to the 12-month period and continued to be enrolled until after the 12-month period is considered to have been enrolled during the 12-month period.

Which borrowers are included in the numerator of the participation rate index?

To be included in the numerator of the participation rate index, the borrower must first be included in the denominator of the participation rate index calculation. If a borrower is included in the denominator of the participation rate index calculation and meets the following conditions, the borrower will also be included in the numerator of the calculation:

1. The borrower received an FFEL Program and/or Direct Loan Program loan;

   AND

2. The FFEL Program and/or Direct Loan Program loan period overlaps the 12-month period selected by the school by at least one day.

Note: If any part of the loan period falls within the 12-month period, the student must be identified and counted as having received a loan.

---

3 HEA Section 435(a)(G)(A)
TIMING AND SUBMITTING

What are the time frames and procedures for submitting a participation rate index challenge?

Timing is critical when submitting a participation rate index challenge.

The following is a step-by-step description of the time frames and procedures associated with a participation rate index challenge.

Step 1: Within 30 calendar days of receiving the school's draft cohort default rate, the school must review this Guide to determine if the school is eligible to submit a participation rate index challenge.

Please refer to page 100 for a detailed discussion regarding which schools would benefit from submitting a participation rate index challenge.

Step 2: If the school would benefit from submitting a participation rate index challenge, within the time frame described in Step 1 (i.e., within 30 calendar days of receiving the school's draft cohort default rate), a school must compile a spreadsheet to list and count the students who will be included in the school's participation rate index.

A school should refer to the Participation Rate Index Challenge SPREADSHEET and SPREADSHEET INSTRUCTIONS on pages 121 and 120, respectively, to assist in developing the list.

Footnote: 34 CFR Section 668.17
If a school **does NOT have any students that received FFEL Program and/or Direct Loan Program loans** with loan periods that overlap the selected 12-month period, the school does NOT have to submit a Participation Rate Index Challenge SPREADSHEET to the Department. However, the school **MUST** send the Department, within 30 calendar days of receiving the school's draft cohort default rate, a LETTER which identifies the school's selected 12-month period and indicates that the school did not have any students that received FFEL Program and/or Direct Loan Program loans with loan periods that overlap the 12-month period in question.

If a school **HAS students that received FFEL Program and/or Direct Loan Program loans** that have loan periods that overlap the school's selected 12-month period, the school must follow the steps outlined in this Guide in order for the Department to consider the school's participation rate index challenge.

A school should provide the following information on the spreadsheet:

- the school's **name** and **OPE ID** number;
- the school's **cohort default rate** that will be used to calculate the school's participation rate index;
- the beginning and ending dates for the **12-month period** on which the school is basing its participation rate index;

For information on selecting an acceptable 12-month period, please refer to pages 102 through 105.
Q. What is a regular student?
A. A regular student is defined as a person who is enrolled, or accepted for enrollment, at a school for the purpose of obtaining a degree, certificate, or other recognized educational credential offered by that school as defined in 34 CFR Section 600.2.

◊ the Social Security numbers, in numerical order, of all the regular students enrolled on at least a half-time basis during any part of the selected 12-month period;

These are the students that will be included in the denominator of the participation rate index calculation.

◊ for each Social Security number, list the student's name;

◊ for each student, provide beginning and ending enrollment dates [for all enrollment dates, include the month, day, and year (MM/DD/CCYY)];

If a student was enrolled at the school more than once during the selected 12-month period, list each set of enrollment dates. However, the student will only be counted once in the calculation.

◊ if the student received an FFEL Program and/or a Direct Loan Program loan with a loan period that overlaps the selected 12-month period, enter the type of loan(s) received (if not, do not make an entry);

These are the borrowers that will be included in the numerator of the participation rate index calculation.

◊ for each borrower with an FFEL Program loan and/or a Direct Loan Program loan identified, provide the beginning and ending dates of the loan period;

If the borrower has more than one loan, list the loan periods associated with each loan. However, the borrower is only counted once in the calculation.
Step 3: Within the time frame described in Step 1 (i.e., within 30 calendar days of receiving the school’s draft cohort default rate), a school must calculate its participation rate index.

- Identify the school’s relevant cohort default rate.

- From the Participation Rate Index Challenge SPREADSHEET created in Step 2, count the number of borrowers who received an FFEL Program and/or Direct Loan Program loan during the selected 12-month period and whose loan periods overlap the 12-month period by at least one day. These are the borrowers who will be included in the numerator of the participation rate index.

- From the Participation Rate Index Challenge SPREADSHEET created in Step 2, count the total number of students listed on the spreadsheet. These are the students who will be included in the denominator of the participation rate index.

- Divide the number of borrowers who received an FFEL Program and/or Direct Loan Program loan during the selected 12-month period and whose loan periods overlap the 12-month period by at least one day by the number of students listed on the spreadsheet and multiply the result by the relevant cohort default rate identified by the school. This is the school’s participation rate index.

For a successful challenge, the school’s participation rate index must be 0.0375 or less.
Step 4: Within the time frame described in Step 1 (i.e., within 30 calendar days of receiving the school's draft cohort default rate), the school must submit the following to the Department at the address provided on page 116:

- a letter indicating that the school is submitting its participating rate index challenge;

A school should refer to the format of the Sample Participation Rate Index Challenge LETTER on page 122.

AND

- the Participation Rate Index Challenge SPREADSHEET created in Step 2.

Schools are not required to submit an independent auditor's attestation to support the school's participation rate index challenge.

The following page provides an overview of the MATERIAL that should be included in a school's participation rate index challenge.
Within 30 calendar days of receiving its draft cohort default rate, the following MATERIAL, to support a participation rate index challenge, should be sent to the Department’s Default Management office at the address shown on page 116.

**The section behind Tab 1 contains:**

<table>
<thead>
<tr>
<th>Tab 1</th>
</tr>
</thead>
</table>

A LETTER on the school’s letterhead with—
- the school’s OPE ID number;
- a statement indicating that the school is submitting a participation rate index challenge;
- the relevant cohort default rate on which the challenge is based;

AND
- the signature of the school’s President/CEO/Owner, followed by a signature block providing the signer’s name and job title.

Schools should refer to the sample Participation Rate Index Challenge LETTER on page 122.

**The section behind Tab 2 contains:**

<table>
<thead>
<tr>
<th>Tab 2</th>
</tr>
</thead>
</table>

A SPREADSHEET of the school’s students included in the participation rate index.

Schools should refer to the Sample Participation Rate Index Challenge SPREADSHEET and SPREADSHEET INSTRUCTIONS on pages 121 and 120, respectively, to assist in developing the list.

**Note**

The Department will not consider information submitted after the regulatory deadline. The Department will send the school written notification of its decision.
If sent by commercial overnight mail/courier delivery, send the school's participation rate index challenge to:

U.S. Department of Education
Default Management office
ATTN: Participation Rate Index Challenge
Portals Building, Room 6300
1250 Maryland Avenue, SW
Washington, DC 20024

If sent by U.S. Postal Service, send the school's participation rate index challenge to:

U.S. Department of Education
Default Management office
ATTN: Participation Rate Index Challenge
Portals Building, Room 6300
400 Maryland Avenue, SW
Washington, DC 20202-5353

The Department will not accept any challenge correspondence by facsimile (fax) or e-mail.

The Department recommends that a school send all challenge correspondence return receipt requested or via commercial overnight mail/courier delivery. This will be useful to a school if it is asked to authenticate the timeliness of its challenge. A school should maintain the documentation which verifies the receipt of the challenge-related material. In addition, a school should retain copies of all documentation submitted as a part of the challenge process.
PART II: Examples and Supporting Material

Part II of the "Participation Rate Index Challenge" section outlines a situation in which a school would benefit from submitting a participation rate index challenge. This part also provides sample material that should be referenced by a school when compiling the material that must be submitted by a school during the participation rate index challenge process.

CONTENT REFERENCE FOR PART II

EXAMPLE of a situation that warrants the submission of a Participation Rate Index Challenge .............................................. 119

Participation Rate Index Challenge SPREADSHEET
INSTRUCTIONS ............................................................................. 120

Sample Participation Rate Index Challenge SPREADSHEET..... 121

Sample Participation Rate Index Challenge LETTER .............. 122
EXAMPLE of a situation that warrants the submission of a Participation Rate Index Challenge


Within 30 calendar days of receiving its FY 1999 draft cohort default rate, the school:

- determined that it was eligible and would benefit from submitting a participation rate index challenge;

  The school’s FY 1997 official cohort default rate is 27.2 percent and its FY 1998 official cohort default rate is 26.1 percent. In addition, its FY 1999 draft cohort default rate is 25.0 percent. The school believes its participation rate index is below the 0.0375 threshold.

- selected its FY 1999 draft cohort default rate as the cohort default rate on which its participation rate index would be based (please refer to page 101 for information on which cohort default rates a participation rate index challenge may be based);

- identified April 2, 1997 through April 1, 1998 as an acceptable 12-month period for its participation rate index calculation (please refer to pages 102 through 105 for information on how to identify an acceptable 12-month period);

- prepared a SPREADSHEET that lists the students included in its participation rate index calculation (please refer to the Sample Participation Rate Index Challenge SPREADSHEET on page 121);

- prepared a LETTER to the U.S. Department of Education’s Default Management office for its participation rate index challenge (please refer to the Sample Participation Rate Index Challenge LETTER on page 122);

On February 15, 2001, Welding School mailed the MATERIAL associated with its participation rate index challenge return receipt requested to the Department’s Default Management office at the address found on page 116.
List and count the students who will be included in the calculation of the school's participation rate index using a spreadsheet software application such as Excel or Lotus 1-2-3. The final printed spreadsheet must be sent to the Department.

The spreadsheet should be printed on 8 1/2" x 11" paper in a landscape (horizontal) layout. A sample spreadsheet follows these instructions.

Header: Enter Participation Rate Index Challenge based on the FY [insert year] [insert "Draft" or "Official"] Cohort Default Rate in the center of the header area. In the left-hand area, enter the school's name, the school's OPE ID number, the school's applicable cohort default rate, and the school's selected 12-month period.

Footer: Enter the date the spreadsheet was prepared in the left side of the footer area. Set up automatic pagination in the right side of the footer area so that the specific page number and the total number of pages show on each page, for example: Page 1 of 10.

Sort: The students listed on the spreadsheet should be sorted by the student's Social Security number OR by the student's last name.

On Row 1, 2, 3, and 4, use the draw tool to draw a rectangle covering lines A1 to E4. Using the text-box tool, draw another box for Box A information. In this box, enter the school's applicable cohort default rate, the number of students who received FFEL Program and/or Direct Loan Program loans (the numerator of the participation rate index listed in Column 4), the number of regular students (the denominator of the participation rate index listed in Column 1), and the school's participation rate index.

On Row 5, enter exactly the same column names in exactly the same order as listed on the sample spreadsheet.

On Row 6 and below, include the following data for each student who is included in the school's participation rate index.

Column 1: Enter the student's Social Security number (SSN) using hyphens to separate the numbers (for example, 000-00-0000) for all of the regular students enrolled on at least a half-time basis during any part of the selected 12-month period. (No student will be counted more than once in the calculation.) These are the students that will be counted in the denominator of the participation rate index.

Column 2: Enter the student's name.

Column 3: Enter MM/DD/CCYY (month, day, year) to identify the student's beginning enrollment date and ending enrollment date.

Column 4: Enter FFEL or DL if the student received an FFEL Program loan (FFEL) or a Direct Loan Program loan (DL) for a loan period that overlaps with any part of the selected 12-month period. Leave blank if the student did not receive a loan or the loan period does not overlap with any part of the 12-month period.

If any part of the loan period falls within the selected 12-month period, the borrower must be identified and counted as having received a loan during the selected period. These are the borrowers that will be included in the numerator of the participation rate index.

Column 5: If a loan was received, enter MM/DD/CCYY to identify the beginning date and ending date of the loan period. If Column 4 is not filled out, leave this column blank.

If the borrower has more than one loan, list the loan periods associated with each loan. However, the borrower is only counted once in the calculation.
## Participation Rate Index Challenge

Based on the FY 1999 Draft Cohort Default Rate

### Box A

<table>
<thead>
<tr>
<th>Applicable Cohort Default Rate</th>
<th>25.0%</th>
</tr>
</thead>
<tbody>
<tr>
<td>No. of Borrowers Receiving FFEL/DL loans (reported in column 4)</td>
<td>26</td>
</tr>
<tr>
<td>No. of Regular Students (listed in column 1)</td>
<td>200</td>
</tr>
<tr>
<td>Participation Rate Index</td>
<td>0.0325</td>
</tr>
</tbody>
</table>

### Table

<table>
<thead>
<tr>
<th>Student's SSN</th>
<th>Student's Name</th>
<th>Enrollment Dates (from MM/DD/CCYY to MM/DD/CCYY)</th>
<th>FFEL</th>
<th>Beginning Dates and Ending Dates of Loan Periods (from MM/DD/CCYY to MM/DD/CCYY)</th>
</tr>
</thead>
</table>

[send to U.S. Department of Education's Default Management Office at the address located on page 116]
February 15, 2001

U.S. Department of Education
Default Management Office
Attn: Participation Rate Index Challenge
Portals Building, Room 6300
400 Maryland Avenue, SW
Washington, DC 20202-5353

Subject: Participation Rate Index Challenge based on FY 1999 Draft Cohort Default Rate

Dear Default Management Office:

Welding School, OPE ID#: 000050, is submitting its participation rate index challenge based on its FY 1999 draft cohort default rate.

Our participation rate index is 0.0325 based on a 12-month period that began on April 2, 1997 and ended on April 1, 1998.

Please see the enclosed spreadsheet.

Thank you for your consideration.

Sincerely,

Larry Travis
President

Enclosure
What role does a guaranty agency have in a school’s challenge?

A school may write to a guaranty agency to obtain information to challenge the school’s draft cohort default rate. A guaranty agency is required to respond to a school’s timely submitted inquiry regarding Federal Family Education Loan (FFEL) Program loans for which the agency currently maintains the guaranty.¹ The response must be provided within 30 calendar days of receiving the school’s request. In addition to responding to the school, the guaranty agency must provide a copy of its response to the school’s inquiry to the U.S. Department of Education (Department).

In preparing responses to inquiries, guaranty agencies should refer to the information provided in the “Information for Guaranty Agencies on Challenges” sections.

What actions should a guaranty agency take when responding to a school’s inquiry?

The Department recommends that when responding to schools’ inquiries, a guaranty agency should –

- Thoroughly review this Guide. This will ensure that the guaranty agency is aware of all the guidance and requirements associated with the cohort default rate challenge process.

¹ 34 CFR Section 682.401(b)(15)
Send all correspondence to schools return receipt requested or via commercial overnight mail/courier delivery. This will be useful to a guaranty agency and the Department.

Maintain copies of documentation verifying the school's receipt of all cohort default rate challenge related material. This will be useful to a guaranty agency and the Department.

When sending a response to a school, immediately send a copy of the response to the Department's Default Management office using the address on page 129. The Department will use this material to make a determination on the school's challenge.

Retain copies of all documents provided to schools and the Department for a period of five years from the date the school's challenge was resolved by the Department.

AND

Submit cohort default rate monthly status reports to the Department. The Department will use this information to monitor the times frames associated with the challenge process.

What if unforeseen circumstances prevent a guaranty agency from responding to a school’s request within 30 calendar days of receiving the school’s request?

If a guaranty agency is unable to respond within 30 calendar days of receiving the school’s request, it should send the school a letter on its official letterhead —

- explaining the circumstances causing the delay;
- telling the school when it will respond;
AND

indicating that the Department has been informed of the delay.

If a school does NOT receive a response from a guaranty agency within 30 calendar days of receiving the school’s request, the school may notify the Department that it has not received the required response.

What if a guaranty agency can only respond to a portion of a school’s request within 30 calendar days of receiving the school’s request?

If a guaranty agency can respond to only a portion of a school’s requested information within 30 calendar days of receiving the school’s request, it should hold that portion of the response until it can provide a response to ALL of the school’s requested information. The guaranty agency should send a letter to the school and the Department that provides the information outlined above. When ALL the needed data are gathered, the guaranty agency should send ALL of the data to the school in a single mailing.
How does a guaranty agency notify the Department about the status of a school's challenge?

A guaranty agency must send the U.S. Department of Education (Department) a copy of its response to a school's request at the same time it sends out the response to the school. Please refer to the "Information for Guaranty Agencies on Draft Data Challenge" section beginning on page 133 for guidance on how to respond to a school's draft data challenge.

In addition to sending the Department a copy of all challenge-related correspondence sent to a school, each guaranty agency should provide the Department with a monthly status report. The monthly status report is a cumulative list of cohort-default-rate-related requests that guaranty agencies receive from schools after the release of the draft cohort default rates. These status reports will assist the Department in monitoring the time frames associated with the cohort default rate challenge process.

The monthly status report should be sent to the Department using the address on page 129 within 5 working days of the end of each month. For example, the status report for February 2001 should be sent by March 7, 2001.
What does the monthly status report include?

The report should be a cumulative listing of all cohort-default-rate-related requests, including subsequent letters received from the school and subsequent responses made by the agency. The report should include the following:

- OPE-ID number of the school making the request;
- school's name;
- date the school's request was postmarked;
- date the agency received the request;
- date the agency responded to the school;
- type of delivery service used to mail the response to the school;
- tracking number associated with delivery of the response to the school;
- date the school received the response;
- AND
- comments, if needed.

Guaranty agencies should refer to the Sample Monthly Status Report SPREADSHEET and SPREADSHEET INSTRUCTIONS on pages 131 and 130, respectively, to assist in developing the report.

A guaranty agency should NOT submit copies of its responses to schools' requests to the Department with its monthly report. Copies of its responses should be sent to the Department at the same time it sends its response to the school.
If the guaranty agency does NOT receive any requests from schools, it should submit a blank monthly status report to the Department indicating that it has not received any cohort-default-rate-related requests.

Once the agency has responded to all of the requests received and the guaranty agency has not received any subsequent requests, the guaranty agency should send the Department an updated status report marked "FINAL." After the guaranty agency sends the Department the final report, the guaranty agency does not need to send any more monthly status reports until the official cohort default rates are released.

For an alternative method for submitting the monthly reports, please refer to the guidance sent to your agency in August, 2000 or contact the Department's Default Management office at (202) 708-6048.

If sent by commercial overnight mail/courier delivery, send the monthly status report and all copies of letters sent regarding the school's cohort default rate to:

U.S. Department of Education
Default Management Office
ATTN: Guaranty Agency Responses
Portals Building, Room 6300
1250 Maryland Avenue, SW
Washington, DC 20024

If sent by U.S. Postal Service, send the monthly status report and all copies of letters sent regarding the school's cohort default rate to:

U.S. Department of Education
Default Management Office
ATTN: Guaranty Agency Responses
Portals Building, Room 6300
400 Maryland Avenue, SW
Washington, DC 20202-5353
Record all schools' cohort default rate requests using a spreadsheet software application such as Excel or Lotus 1-2-3. The resulting spreadsheet is sent to the Department.

The spreadsheet should be on 8 1/2" x 11" paper in a landscape (horizontal) layout. A sample spreadsheet follows these instructions.

**Header:**
Enter Monthly Status Report for FY 1999 Draft Cohort Default Rates in the center of the header area. In the left-hand area, enter the name of the guaranty agency and the three-digit guarantor code.

**Footer:**
Enter the date the spreadsheet was prepared in the left side of the footer area. Set up automatic pagination in the right side of the footer area so that the specific page number and the total number of pages show on each page, for example: page 1 of 10 pages.

**Sort:**
The report should be a cumulative listing of all cohort-default-rate-related requests in order by the school's OPE ID number.

On Row 1, enter exactly the same column names in exactly the same order as listed on the sample spreadsheet. Ensure that column names appear at the top of each page.

On Row 2 and below, include the following data for each school that has requested cohort-default-rate-related information.

| Column 1: | Enter the school's six-digit OPE ID number. |
| Column 2: | Enter the school's name. |
| Column 3: | Enter MM/DD/CCYY (month, date, year) to identify the date the school's request was postmarked. |
| Column 4: | Enter MM/DD/CCYY to identify the date the guaranty agency received the school's request. |
| Column 5: | Enter MM/DD/CCYY to identify the date the guaranty agency mailed a response to the school (postmark date). |
| Column 6: | Enter type of service delivery (i.e. Federal Express, U.S. Postal Service, Airborne Express, etc.) the guaranty agency used to deliver its response to the school. |
| Column 7: | Enter the tracking number assigned to the response by the delivery service. |
| Column 8: | Enter MM/DD/CCYY to identify the date the school signed for the response from the guaranty agency. |
| Column 9: | Enter comments in this column, if needed. |
### Monthly Status Report for FY 1999 Draft Cohort Default Rates

**Note:** This is a sample spreadsheet. See instructions on the previous page.

<table>
<thead>
<tr>
<th>OPE ID</th>
<th>School's Name</th>
<th>OPE ID</th>
<th>School's Name</th>
<th>3. Date the school's request was postmarked</th>
<th>4. Date the agency received the request</th>
<th>5. Date the guaranty agency mailed response</th>
<th>6. Servicer type</th>
<th>7. Tracking Number</th>
<th>8. Date the school signed for the response from the guaranty agency</th>
<th>9. Comments, if needed</th>
</tr>
</thead>
<tbody>
<tr>
<td>000040</td>
<td>Technology School</td>
<td>000040</td>
<td>Technology School</td>
<td>02/05/2001</td>
<td>02/06/2001</td>
<td>02/26/2001</td>
<td>Airboume</td>
<td>888 888 8888</td>
<td>03/02/2001</td>
<td>Initial response</td>
</tr>
<tr>
<td>000060</td>
<td>Cosmetology School</td>
<td>000060</td>
<td>Cosmetology School</td>
<td>03/05/2001</td>
<td>03/06/2001</td>
<td>03/08/2001</td>
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<td>777 777 7777</td>
<td>03/12/2001</td>
<td>Subsequent response</td>
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<td>000070</td>
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<td>000070</td>
<td>Forrest University</td>
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<td>02/14/2001</td>
<td></td>
<td>U.S. Express Mail</td>
<td>444 444 4444</td>
<td>03/27/2001</td>
<td>Initial response</td>
</tr>
<tr>
<td>111111</td>
<td>Electrical Training Institute</td>
<td></td>
<td></td>
<td>02/02/2001</td>
<td>02/04/2001</td>
<td>02/14/2001</td>
<td>Federal Express</td>
<td>999 999 9999</td>
<td>02/17/2001</td>
<td>Initial response</td>
</tr>
</tbody>
</table>

[send to the U.S. Department of Education using the address shown on page 129]
Information for Guaranty Agencies on Draft Data Challenges

This section is divided into two parts. The first part (pages 133 through 142) outlines the process and procedures for responding to draft data challenges from a school. The second part (pages 143 through 148) provides an example of a situation that would result in a response to a draft data challenge submitted by a school and sample material as it would pertain to a draft data challenge response.

To understand how a guaranty agency should respond to a draft data challenge, the U.S. Department of Education (Department) recommends that the reader review both parts of this section. In addition, to understand the basis for a draft data challenge and a school's responsibilities in the draft data challenge process, the Department recommends the reader review the "Draft Data Challenge" section beginning on page 73.

PART I: Background, Process, and Procedures

What are the time frames and procedures for responding to a draft data challenge?

Step 1: Within 30 calendar days of receiving the school's draft data challenge, a guaranty agency should review this Guide to determine if the school's challenge is timely.
The time frames associated with a school's draft data challenge are outlined in the "Draft Data Challenge" section beginning on page 86.

**Step 2:** Within the time frame described in Step 1 (i.e., within 30 calendar days of receiving the school's draft data challenge), a guaranty agency should notify the school and the Department if the school's draft data challenge is untimely.

If the school did not send its draft data challenge within **45 calendar days** of the school's receipt of its most recent hardcopy draft cohort default rate data, the guaranty agency should NOT review any part of the school's draft data challenge. In its response to the school, the guaranty agency should explain that it is unable to review the challenge because the school missed the regulatory deadline. The guaranty agency should refer the school to the "Draft Data Challenge" section beginning on page 73, and simultaneously send a copy of the letter to the Department.¹

*The Department mails draft cohort default rates at an announced time and tracks schools' receipt of the rates. Before denying a school's draft data challenge on the basis of a late submission, a guaranty agency should contact the Department to verify the actual date the school received its draft cohort default rate data.*

If the school's submission due date falls on a weekend or a federal holiday, a school may send its draft data challenge to the guaranty agency no later than the next federal business day.

**Step 3:** If the draft data challenge is timely, **within the time frame described in Step 1** (i.e., within 30 calendar days of receiving the school's timely submitted draft data challenge), a guaranty agency should **review each allegation** submitted by the school.

¹ 64 Fed. Reg. 58974 (November 1, 1999) (Preamble to Final Rule)
Determine if the allegations presented by the school are based on loans that are currently held by the agency.

If the loans are not held by the agency, notify the school that the allegation(s) should be submitted to the entity that currently maintains the guarantee on the loan. Remind the school that all allegations must be submitted to the appropriate entity within 45 calendar days of the school's receipt of its hardcopy draft cohort default rate data.

Determine if all relevant material is present including, but not limited to:

- a spreadsheet identifying the loans that the school is requesting the guaranty agency review;
- a copy of applicable pages from the relevant loan record detail report(s).

Each allegation must be accompanied by at least one page of a loan record detail report;

- A school should include the page of the loan record detail report where the borrower appears, or where the borrower should appear. A school should provide both pages of the loan record detail report if the borrower appears or should appear at the end of one page or at the beginning of the next page.
- If the borrower is moved from one year to another, a school should include the page of the loan record detail report where the borrower currently appears, and the page of the loan record detail report where the borrower should appear.
Please refer to page 97 of the "Draft Data Challenge" section for an example of supporting documentation.

AND

relevant supporting documentation including, but not limited to:

- a signed and dated copy of a letter to the relevant lender or guaranty agency that informs the entity of the borrower's last date of attendance or less-than-half-time date (whichever is earlier) and provides evidence that the information was mailed to the relevant lender or guaranty agency in a timely manner (i.e., a certified mail receipt);

AND/OR

- a signed and dated copy of a Student Status Confirmation Report (SSCR) or an NSLDS SSCR screen print that timely informs the lender and/or guaranty agency of the borrower's last date of attendance or less-than-half-time date (whichever is earlier);

AND/OR

- a copy of a cancelled check, front and back, or other documentation showing that the borrower's loan was cancelled in-full within 120 days of disbursement by the lender.

FY 1999 Draft Cohort Default Rate Guide
If a school fails to provide the guaranty agency with all the necessary information, the guaranty agency may ask the school to submit the missing information. However, the school must submit this additional information to the guaranty agency within the 45 calendar day deadline for submitting draft data challenges.

- **Research each allegation** to determine if documentation maintained by the guaranty agency supports or refutes the school's allegation.

  Please refer to pages 79 through 85 of the "Draft Data Challenge" section for a list of the different types of possible allegations.

- **Make a determination** on each allegation listed on the school's spreadsheet.

  If a borrower has multiple loans guaranteed and currently held by the guaranty agency, the guaranty agency must address all of the borrower's loans associated with the school in question.

  - **Agree** with the school if the documentation maintained by the guaranty agency supports the school's claim or if the school has demonstrated that the correct information was timely submitted to the lender and/or guaranty agency.
If the guaranty agency response indicates that a loan has been repurchased, the guaranty agency must provide the original claim paid date, the reason the loan was repurchased, and whether any subsequent claims were filed.

OR

- **Disagree** with the school if the documentation maintained by the guaranty agency refutes the school's claim and the school failed to demonstrate that the correct information was timely submitted to the lender and/or guaranty agency. If the guaranty agency disagrees with the school, the guaranty agency must explain why it disagrees with the school.

There are a number of reasons why a guaranty agency might disagree with the school's allegations of error. For example, the school might have:

- made only **general allegations** about the loan record detail report and/or the draft cohort default rate data;

- failed to provide evidence that the guaranty agency and/or lender was **timely notified of a change in status for the borrower**;

AND/OR

- failed to provide **acceptable supporting documentation** for an allegation.

Please refer to page 136 for examples of acceptable supporting documentation.
Step 4: Within the time frame described in Step 1 (i.e., within 30 calendar days of receiving the school's draft data challenge), a guaranty agency should **compile a list** of the guaranty agency's responses to the school's alleged errors.

- Record the responses to each of the school's alleged errors on a spreadsheet that follows the format of the sample **Draft Data Challenge Response** spreadsheet.

- **Provide comments** on why the guaranty agency agrees or disagrees with each of the school's allegations and **supporting documentation** if the agency disagrees with the school's allegations.

Step 5: **Within the time frame described in Step 1** (i.e., within 30 calendar days of receiving the school's draft data challenge), a guaranty agency should **send the school a response to its draft data challenge** and also send a copy of the response to the Department.

The Department recommends that:

- **Each guaranty agency submit the completed response to the school's draft data challenge using the format of the sample Draft Data Challenge Response letter shown on page 148;**

- **Each guaranty agency include the spreadsheet created in Step 4 in its response;**

  **AND**

- **Each guaranty agency compile its response and mail its response via return receipt requested or via overnight courier delivery to the school with a copy to the Department sent to the address provided on page 142.**

The recommended materials for the guaranty agency response are shown on page 141.
Step 6: Respond to any subsequent inquiries from a school within 5 working days of the receipt of the school's timely inquiry and send a copy of the response letter to the Department.

Subsequent inquiries are not an opportunity for a school to provide additional supporting documentation or to submit additional allegations. The inquiries are allowed solely for a school to gain clarification based on information that was timely submitted as a part of the draft challenge process.

If a guaranty agency does not agree with the school's subsequent inquiry, the agency should indicate that its previous response was its final response.

Note: Schools must submit subsequent inquiries within 5 working days of receiving the agency's response to its initial inquiry.
A guaranty agency should send the following to the school:

**The section behind Component 1 contains:**

<table>
<thead>
<tr>
<th>Component 1</th>
</tr>
</thead>
<tbody>
<tr>
<td>A letter on the guaranty agency's letterhead with—</td>
</tr>
</tbody>
</table>

- the school's **OPE ID number**;
- the school's **name**;
- a statement indicating that the guaranty agency is responding to the school's **draft data challenge**;
- the **fiscal year** to which the response applies;
- the **signature** of the responsible official at the guaranty agency, followed by a signature block providing the **signer's name and job title**.

AND

- an indication that a **copy was sent to the Department**.

Guaranty agencies should use the sample **Draft Data Challenge Response** letter on page 148.

**The section behind Component 2 contains:**

<table>
<thead>
<tr>
<th>Component 2</th>
</tr>
</thead>
<tbody>
<tr>
<td>A list, in <strong>spreadsheet</strong> format, of the guaranty agency's responses to the school's alleged errors.</td>
</tr>
</tbody>
</table>

Guaranty agencies should use the sample **Draft Data Challenge Response** spreadsheet on page 147. A guaranty agency must provide **data on each of the elements** listed on the sample spreadsheet.

If a borrower has **multiple loans**, the guaranty agency must address all of the borrower's loans associated with the school in question.
If sent by commercial overnight mail/courier delivery, send the Department's copy of the draft data challenge response to:

U.S. Department of Education
Default Management Office
ATTN: Guaranty Agency Response
Portals Building, Room 6300
1250 Maryland Avenue, SW
Washington, DC 20024

If sent by U.S. Postal Service, send the Department's copy of the draft data challenge response to:

U.S. Department of Education
Default Management Office
ATTN: Guaranty Agency Response
Portals Building, Room 6300
400 Maryland Avenue, SW
Washington, DC 20202-5353
PART II: Examples and Sample Material

Part II of this section outlines a situation that would require a guaranty agency to respond to a school's draft data challenge. This part also provides sample material that should be referenced by a guaranty agency when responding to a school's draft data challenge.

CONTENT REFERENCE FOR PART II

EXAMPLE of a situation that would result in a response to Draft Data Challenge ................................................................. 145

Draft Data Challenge Response SPREADSHEET INSTRUCTIONS ................................................................. 146

Sample Draft Data Challenge Response SPREADSHEET .......... 147

Sample Draft Data Challenge Response LETTER ..................... 148
EXAMPLE of a situation that would result in a response to a Draft Data Challenge


Within 30 calendar days of receiving the draft data challenge, the guaranty agency:

◇ determined whether the school's draft data challenge was submitted timely (please refer to Step 2 on page 134 for information on the time frames for submitting a draft data challenge);

   According to the Department's spreadsheet sent to the State Guaranty Agency, the school received its draft cohort default rate on January 31, 2001. According to the postmark on the service delivery package, the school submitted the challenge to the agency on February 2, 2001. Because the challenge was submitted within 45 working days of the school's receipt of its draft cohort default rate, the challenge was timely submitted.

◇ determined that all of the relevant material was present (please refer to Step 3 on page 134 for information on the material a school must submit with its draft data challenge);

   Electrical Training Institute provided a spreadsheet that listed David Smith's loans and provided what the school believes is the correct data for the borrower's loans. The school also provided copies of the relevant pages of both the draft and official loan record detail reports for the borrower. Finally, the guaranty agency noted that Electrical Training Institute provided supporting documentation to substantiate the school's position regarding David's loans.

◇ made a determination for each allegation;

   Electrical Training Institute believes that David should be removed from the FY 1999 cohort default rate and added to the FY 1998 official cohort default rate calculation based on a May 13, 1998 date entered repayment. The agency agreed with Electrical Training Institute because the school demonstrated that it timely submitted the information on David's change in enrollment to the State Guaranty Agency.

◇ prepared a SPREADSHEET that identified David's loans and provided what the agency believes is the correct information that should be associated with each loan (please refer to the Sample Draft Data Challenge Response SPREADSHEET on page 147);

◇ made a copy of the agency's SUPPORTING DOCUMENTATION for any additional items that the agency disagreed with;

   AND

◇ prepared a LETTER for its Draft Data Challenge Response to the school (please refer to the Sample Draft Data Challenge LETTER on page 148).

On February 14, 2001, State Guaranty Agency mailed its response to the allegations via overnight courier to Electrical Training Institute and sent a copy of the entire package to the Department's Default Management office at the address found on page 142.
Record all loans for which the school submitted a new data allegation using a spreadsheet software application such as Excel or Lotus 1-2-3. The resulting spreadsheet is sent to the school that submitted the allegations and to the Department.

Fill out a separate spreadsheet for each school submitting a draft data challenge.

The spreadsheet should be on 8 1/2” x 11” paper in a landscape (horizontal) layout. A sample spreadsheet follows these instructions.

Header: Enter FY 1999 Draft Data Challenge Response in the center of the header area. In the left-hand area, enter the guaranty agency’s name, school’s name, school’s OPE ID number, and number of borrowers and loans on the list.

Footer: Enter the date the spreadsheet was prepared in the left side of the footer area. Set up automatic pagination in the right side of the footer area so that the specific page number and the total number of pages show on each page, for example: page 1 of 10 pages.

Sort: The borrowers listed on the spreadsheet should be sorted by the borrower’s Social Security number.

The guaranty agency should only respond to the borrowers listed on the school’s spreadsheet.

On Row 1, enter exactly the same column names in exactly the same order as listed on the sample spreadsheet. Ensure that column names appear at the top of each page.

On Row 2 and below, include the following data for each loan for which the school submitted new data allegations.

Column 1: Enter the borrower’s Social Security number (SSN) using hyphens to separate the numbers (example: 000-88-0000).

If a borrower has multiple loans for which the agency maintains the guaranty, the guaranty agency must address all of the borrower’s loans associated with the school in question.

Column 2: Enter the borrower’s name.

Column 3: Enter the number and type of loan(s). Use the following codes to identify the type of loan.

<table>
<thead>
<tr>
<th>Code</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>D1</td>
<td>Direct Loan Subsidized Stafford Loan</td>
</tr>
<tr>
<td>D2</td>
<td>Direct Loan Unsubsidized Stafford Loan</td>
</tr>
<tr>
<td>SF</td>
<td>FFEL Subsidized Stafford Loan</td>
</tr>
<tr>
<td>SL</td>
<td>Supplemental Loans for Student Loan</td>
</tr>
<tr>
<td>SU</td>
<td>FFEL Unsubsidized Stafford Loan</td>
</tr>
</tbody>
</table>

Column 4: Enter MM/DD/CCYY (month, day, and year) of the earlier of the borrower’s LDA (last date of attendance) or the LTH (less than half-time date).

Column 5: Enter MM/DD/CCYY or MM/CCYY to identify the DER (date the loan entered repayment).

Column 6: Enter MM/DD/CCYY or MM/CCYY to identify the CPD (claim paid date), DD (default date), or ICRD (income contingent repayment date). Enter N/A if the borrower did not default.

Column 7: Enter the fiscal year(s) to which the guaranty agency believes this information should be applied.

Column 8: Enter N (numerator), D (denominator), or B (both numerator and denominator), accompanied by a plus or minus sign (such as +D or -D) to show how the guaranty agency believes the information will affect the CDR (cohort default rate) calculation.

Column 9: Enter Agree or Disagree. A comment must be made in this section to identify why the agency agreed or disagreed. Documentation must be provided to support the determination if the guaranty agency disagreed.
<table>
<thead>
<tr>
<th>1. Borrower's SSN</th>
<th>2. Borrower's Name</th>
<th>3. Number and type of loan(s)</th>
<th>4. Earlier of LDA or LTH (Use codes on instructions)</th>
<th>5. Date entered repayment (DER) (MM/DD/CCYY)</th>
<th>6. CPD, DD, ICRD, or N/A (MM/DD/CCYY) or leave blank</th>
<th>7. FY(s) appl.</th>
<th>8. Effect on CDR calc. (N.D., or B)</th>
<th>9. Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>333-33-3333</td>
<td>David Smith</td>
<td>1 SF</td>
<td>11/12/1997</td>
<td>05/13/1998</td>
<td>09/05/2000</td>
<td>FY 1999</td>
<td>-B</td>
<td>Agree. The school provided sufficient supporting documentation demonstrating that they timely sent the change in enrollment to the agency.</td>
</tr>
<tr>
<td>333-33-3333</td>
<td>David Smith</td>
<td>1 SU</td>
<td>11/12/1997</td>
<td>05/13/1998</td>
<td>09/05/2000</td>
<td>FY 1999</td>
<td>-B</td>
<td>Agree. The school provided sufficient supporting documentation demonstrating that they timely sent the change in enrollment to the agency.</td>
</tr>
</tbody>
</table>
Sample Draft Data Challenge Response LETTER

State Guaranty Agency
1234 Trueman Road
Lusby, North Carolina 98765-4321
(111) 222-3333

February 14, 2001

Robert Young
President
Electrical Training Institute
1212 Wedgewood Lane
Leonardtown, Wisconsin 12345-6789

Subject: FY 1998 Draft Data Challenge Response

Dear Mr. Young,

This is State Guaranty Agency's response to Electrical Training Institute's, OPE ID# 111111, FY 1999 draft data challenge.

Please see the enclosed spreadsheet and supporting documentation.

Sincerely,

Bob Bowen
Bob Bowen, Compliance Officer
State Guaranty Agency

Enclosures

cc: U.S. Department of Education, Default Management office
A guaranty agency does NOT have a role in a school's participation rate index challenge. A participation rate index challenge is decided solely by the U.S. Department of Education (Department) based on information submitted by the school and maintained in the Department's records.

If a guaranty agency receives a participation rate index challenge from a school, the guaranty agency should immediately contact the school and inform it that all participation rate index challenges must be submitted directly to the Department's Default Management office at the address shown on page 116. The guaranty agency should refer the school to the "Participation Rate Index Challenge" section beginning on page 99 of this Guide for the time frames associated with submitting a participation rate index challenge.

The guaranty agency should notify the Department's Default Management office that it has contacted the school.
Appendix A
Guaranty Agency/Direct Loan servicer Contacts

Contents

Numerical
Guaranty Agency/Direct Loan servicer Contacts........................................... 3

Alphabetical
Guaranty Agency/Direct Loan servicer Contacts........................................... 15
The contact list that follows contains the names, addresses, telephone numbers, e-mail and website addresses (if available) and points of contact for FFEL Program loans and Direct Loan Program loans included in a school's cohort default rate calculation. The list is in numerical order by the guarantor/servicer code as identified on the loan record detail report, followed by the name of the state/territory/entity primarily associated with the identified code.

If the guarantor/servicer code is not known, see page 15 of this appendix for an alphabetical listing of the contacts by the area in which the guarantor or servicer is primarily responsible.

If a school discovers that the information listed for a guaranty agency or the Direct Loan servicer is incorrect, it should contact the Department's Default Management office.

0101 Direct Loan Servicing Center
U.S. Department of Education
Direct Loan Servicer
ATTN: Default Rate Appeals Section
501 Bleecker Street
Utica, NY 13501
School Services Representative
(888) 877-7658
http://www.dlservicer.ed.gov

555 U.S. Department of Education
U.S. Department of Education
Default Management Office
Portals Building, Room 6300
1250 Maryland Avenue, SW
Washington, DC 20024-5353
(202) 708-9396
http://www.ed.gov

This is the address for FFEL Program loans currently maintained by the Department. For Direct Loan Program loans, see Code 0101 to the left.
Guaranty Agency/Direct Loan servicer Contacts

Appendix A

611 District of Columbia
American Student Assistance Corporation
Attn: Cohort Section
330 Stuart Street
Boston, MA 02116
Ms. Sue Pottenger
(800) 999-9080 ext. 3209
pottenger@amsa.com
http://www.amsa.com

620 Kansas
USA Funds
Attn: Mr. Bruce Bement
11100 USA Parkway
Fishers, IN 46038
Mr. Bruce Bement
(317) 595-1352
bbement@usafunds.org
http://www.usafunds.org

627 U.S. Department of Education
U.S. Department of Education
Default Management Office
Portals Building, Room 6300
1250 Maryland Avenue, SW
Washington, DC 20024-5353
(202) 708-9396
http://www.ed.gov

631 U.S. Department of Education
U.S. Department of Education
Default Management Office
Portals Building, Room 6300
1250 Maryland Avenue, SW
Washington, DC 20024-5353
(202) 708-9396
http://www.ed.gov

This is the address for FFEL Program loans currently maintained by the Department. For Direct Loan Program loans see Code 0101, page 3.

654 West Virginia
Pennsylvania Higher Education Assistance Agency
Attn: Program Review
1200 North 7th Street
HQ4
Harrisburg, PA 17102-1444
Ms. Lisa Hoffman
(717) 720-2180
lhoffman@pheaa.org
http://www.pheaa.org

656 Wyoming
USA Funds
Attn: Mr. Bruce Bement
11100 USA Parkway
Fishers, IN 46038
Mr. Bruce Bement
(317) 595-1352
bbement@usafunds.org
http://www.usafunds.org

This is the address for FFEL Program loans currently maintained by the Department. For Direct Loan Program loans address, see Code 0101, page 3.
Appendix A

Guaranty Agency/Direct Loan servicer Contacts

701 Alabama
Kentucky Higher Education Assistance Authority
Attn: Policy and Client Services Branch
1050 U.S. 127 South
Frankfort, KY 40601-4323
Ms. Elaine Brumback
(502) 696-7278
ebrumback@kheaa.com
http://www.kheaa.com

702 Alaska
USA Funds
Attn: Mr. Bruce Bement
11100 USA Parkway
Fishers, IN 46038
Mr. Bruce Bement
(317) 595-1352
bbement@usafunds.org
http://www.usafunds.org

705 Arkansas
Student Loan Guaranty Foundation of Arkansas
Attn: Claims Department
219 South Victory
Little Rock, AR 72201-1884
Ms. Brenda Steele
(501) 688-7648
bsteele@slgfa.org
http://www.slgfa.org

706 California
EDFUND
Attn: Loan Detail Information Office
Cohort Default Rate Appeals and Disputes
3300 Zinfandel Drive
P.O. Box 419045
Rancho Cordova, CA 95741-9045
Ms. Kevis Foley-Bumgardner
(916) 526-8068
kfoley@edfund.org
http://www.edfund.org

708 Colorado
Colorado Student Loan Program
Attn: Operations Department
Assistant Manager – NSLDS/Quality Assurance
999 18th Street, Suite 425
Denver, CO 80202-2471
Ms. Mary Crow
(303) 305-3387
mcrow@cslp.org
http://www.cslp.org

709 Connecticut
Connecticut Student Loan Foundation
Attn: Manager of Guarantee Operations
P.O. Box 1009
525 Brook Street
Rocky Hill, CT 06067
Ms. Sandy Barsom
(860) 257-4001 ext. 247
sbarsom@mail.cslf.org
http://www.cslf.com

163
<table>
<thead>
<tr>
<th>State</th>
<th>Agency/Contact Information</th>
</tr>
</thead>
</table>
| Delaware | Pennsylvania Higher Education Assistance Agency  
Attn: Program Review  
1200 North 7th Street  
HQ4  
Harrisburg, PA 17102-1444  
Ms. Lisa Hoffman  
(717) 720-2180  
lhoffman@pheaa.org  
http://www.pheaa.org |
| Idaho    | Northwest Education Loan Association  
Attn: School Compliance Representative  
500 Coleman Building  
811 First Avenue  
Seattle, WA 98104  
Ms. Linda Shannon  
(206) 461-5325  
lindas@nela.net  
http://www.nela.net |
| Florida  | Florida Department of Education  
Bureau of Student Financial Assistance  
Attn: Ms. Jeanie Carter  
Northwood Centre  
1940 North Monroe Street; Suite 70  
Tallahassee, FL 32303  
Ms. Jeanie Carter OR  
Ms. Rhonda Forbes  
(850) 410-5200  
(800) 366-3475  
CarterJ@mail.doe.state.fl.us OR  
ForbesR@mail.doe.state.fl.us |
| Georgia  | Georgia Higher Education Assistance Corporation  
Attn: Program Administration  
2082 East Exchange Place, Suite 200  
Tucker, GA 30084-5305  
Ms. Carole Jones  
(770) 724-9137  
carole@mail.gsfc.state.ga.us  
http://www.gsfc.org |
| Illinois | Illinois Student Assistance Commission  
Attn: Compliance Analyst  
1755 Lake Cook Road  
Deerfield, IL 60015  
Ms. Terry Dallas  
(847) 948-8500 ext. 3306  
tdallas@isac.org  
http://www.isac-online.org |
| Indiana  | USA Funds  
Attn: Mr. Bruce Bement  
11100 USA Parkway  
Fishers, IN 46038  
Mr. Bruce Bement  
(317) 595-1352  
bbement@usafunds.org  
http://www.usafunds.org |
<table>
<thead>
<tr>
<th>State</th>
<th>Contact Name</th>
<th>Phone Number</th>
<th>Email Address</th>
<th>Website</th>
</tr>
</thead>
<tbody>
<tr>
<td>Iowa</td>
<td>Mr. Brian Mohr</td>
<td>(515) 242-3356</td>
<td><a href="mailto:brian.mohr@csac.state.ia.us">brian.mohr@csac.state.ia.us</a></td>
<td><a href="http://www.state.ia.us/government/icsac">http://www.state.ia.us/government/icsac</a></td>
</tr>
<tr>
<td>Kentucky</td>
<td>Ms. Elaine Brumback</td>
<td>(502) 696-7278</td>
<td><a href="mailto:ebrumback@kheaa.com">ebrumback@kheaa.com</a></td>
<td><a href="http://www.kheaa.com">http://www.kheaa.com</a></td>
</tr>
<tr>
<td>Louisiana</td>
<td>Mr. Michael Roberts</td>
<td>(225) 922-2030 (800) 259-5626 ext. 2030</td>
<td><a href="mailto:mroberts@osfa.state.la.us">mroberts@osfa.state.la.us</a></td>
<td><a href="http://www.osfa.state.la.us">http://www.osfa.state.la.us</a></td>
</tr>
<tr>
<td>Maine</td>
<td>Mr. Bruce Bement</td>
<td>(317) 595-1352</td>
<td><a href="mailto:bbement@usafunds.org">bbement@usafunds.org</a></td>
<td><a href="http://www.usafunds.org">http://www.usafunds.org</a></td>
</tr>
<tr>
<td>Maryland</td>
<td>Mr. Bruce Bement</td>
<td>(317) 595-1352</td>
<td><a href="mailto:bbement@usafunds.org">bbement@usafunds.org</a></td>
<td><a href="http://www.usafunds.org">http://www.usafunds.org</a></td>
</tr>
<tr>
<td>Massachusetts</td>
<td>Ms. Sue Pottenger</td>
<td>(800) 999-9080 ext. 3209</td>
<td><a href="mailto:pottenger@amsa.com">pottenger@amsa.com</a></td>
<td><a href="http://www.amsa.com">http://www.amsa.com</a></td>
</tr>
</tbody>
</table>
726 Michigan
Michigan Higher Education Assistance Authority
Attn: Audit and Program Review Section
608 W. Allegan Road
Hannah Building, First Floor
Lansing, MI 48933-1524

Mr. Dan Tryon
(517) 373-4981
tryond@state.mi.us

727 Minnesota
Great Lakes Higher Education Guaranty Corporation
Attn: Lori Yaun
2401 International Lane
Madison, WI 53704

Ms. Lori Yaun
(608) 246-1622
lyaun@glhec.org
http://www.glhec.org

728 Mississippi
USA Funds
Attn: Mr. Bruce Bement
11100 USA Parkway
Fishers, IN 46038

Mr. Bruce Bement
(317) 595-1352
bbement@usafunds.org
http://www.usafunds.org

729 Missouri
Missouri Student Loan Program
Attn: Senior Associate for Compliance
3515 Amazonas Drive
Jefferson City, MO 65109-5717

Ms. Ruth Chrismore
(573) 751-8748
ruth.chrismore@mocbhe.gov
http://www.mocbhe.gov

730 Montana
Montana Guaranteed Student Loan Program
Attn: Program Specialist
2500 Broadway
Helena, MT 59601

Mr. Ron Muffick
(406) 444-0369
(800) 537-7508
rmuffick@mgslp.state.mt.us
http://www.mgslp.state.mt.us

731 Nebraska
NSLP
Attn: Program Review and Compliance
1300 O Street
Lincoln, NE 68508

Mr. Kevin Taylor OR Ms. Alicia Chapelle
(402) 479-6718 OR (402) 479-6743
kevint@nslp.org OR aliciac@nslp.org
http://www.nslp.org
Appendix A

Guaranty Agency/Direct Loan servicer Contacts

732 Nevada

USA Funds
Attn: Mr. Bruce Bement
11100 USA Parkway
Fishers, IN 46038

Mr. Bruce Bement
(317) 595-1352
bbement@usafunds.org
http://www.usafunds.org

735 New Mexico

New Mexico Student Loan Guarantee Corporation
Attn: Compliance and Program Review Office
3900 Osuna, N.E.
Albuquerque, NM 87109

Ms. Carolyn Holder
(505) 345-8821 ext. 261
holderc@nmslgc.org
http://www.nmslgc.org

733 New Hampshire

New Hampshire Higher Education Assistance Foundation
Attn: Director of Training and Compliance
4 Barrell Court
Concord, NH 03302

Ms. Christina VanBeaver
(603) 227-5312
cvanbeaver@gsmr.org
http://www.nhheaf.org OR
http://www.gsmr.org

736 New York

New York State Higher Education Services Corporation
Attn: Lender Service
99 Washington Avenue
Albany, NY 12255

Mr. Larry LaVallee
(518) 473-1670
llavallee@hesc.com
http://www.hesc.com

734 New Jersey

Higher Education Student Assistance Authority
Attn: Derek V. Gatling
4 Quakerbridge Plaza Building 4
Mercerville, NJ 08619

Mr. Derek V. Gatling
(609) 588-3996
dgatling@hesaa.org
http://www.hesaa.org

737 North Carolina

North Carolina State Education Assistance Authority
Attn: Claim Accounting and Compliance Review
10 Alexander Drive
Research Triangle Park, NC 27709

Ms. Robbin Sutton
(919) 248-4629
RobbinS@ncseaa.edu
http://www.ncseaa.edu
738 North Dakota
Student Loans of North Dakota
Attn: Compliance Officer
715 East Broadway
Bismarck, ND 58501
Ms. Char Feist
(701) 328-5753
cfeist@state.nd.us
http://www.banknd.com/slnd

740 Oklahoma
Oklahoma State Regents for Higher
Education Guaranteed Student Loan
Program
Attn: Mary Heid
421 Northwest 13th Street
Oklahoma City, OK 73104
Ms. Mary Heid
(405) 858-4300
mheid@ogslp.org
http://www.ogslp.org

739 Ohio
For NON-DEFAULTED LOANS
Great Lakes Higher Education Guaranty
Corporation
Attn: Lori Yaun
2401 International Lane
Madison, WI 53704
Ms. Lori Yaun
(608) 246-1622
lyaun@glhec.org
http://www.glhec.org

For DEFAULTED LOANS
U.S. Department of Education
Default Management Office
Portals Building, Room 6300
1250 Maryland Avenue, SW
Washington, DC 20024-5353
(202) 708-9396
http://www.ed.gov

741 Oregon
Oregon Student Assistance Commission
Attn: Program Review
1500 Valley River Drive Suite 100
Eugene, OR 97401
Ms. Carolyn Sinclair
(541) 687-7379
carolyn.e.sinclair@state.or.us
http://www.osac.state.or.us

742 Pennsylvania
Pennsylvania Higher Education Assistance
Agency
Attn: Program Review
1200 North 7th Street
HQ4
Harrisburg, PA 17102-1444
Ms. Lisa Hoffman
(717) 720-2180
lhoffman@phea.a.org
http://www.phea.org

This is the address for FFEL Program loans
currently maintained by the Department. For
Direct Loan Program loans see Code 0101, page 3.
Appendix A

Guaranty Agency/Direct Loan servicer Contacts

744 Rhode Island
Rhode Island Higher Education Assistance Authority
Attn: Cohort Appeals
560 Jefferson Boulevard
Warwick, RI 02886-1320
Mr. Charles Totoro
(401) 736-1141
cctotoro@riheaa.org
http://www.riheaa.org

745 South Carolina
South Carolina State Education Assistance Authority
Attn: Mike Fox
Interstate Center, Suite 210
16 Berryhill Road
Columbia, SC 29212
Mr. Mike Fox
(803) 798-7960
mike_fox@slc.sc.edu
http://www.slc.sc.edu

746 South Dakota
Education Assistance Corporation
Attn: Vice President of Preclaim, Claim, and Collection
115 First Avenue, S.W.
Aberdeen, SD 57401
Ms. Ellen Welke
(605) 622-4340
ewelke@eac-easci.org
http://www.eac-easci.org

747 Tennessee
Tennessee Student Assistance Corporation
Attn: School Relations Specialist
404 James Robertson Parkway
Suite 1950
Nashville, TN 37243-0820
Ms. Stephanie Aylor
(615) 741-1346
saylor@mail.state.tn.us
http://www.state.tn.us/tsac

748 Texas
Texas Guaranteed Student Loan Corporation
Attn: Compliance Analyst
2929 Longhorn Boulevard, Suite 106
Austin, TX 78758
Mr. Ken Johnson
(512) 219-4701
ken.johnson@tgslc.org
http://www.tgslc.org/tgslc

749 Utah
Utah Higher Education Assistance Authority
Attn: Manager of Compliance and Program Review
355 West North Temple
Three Triad Center, Suite 550
Salt Lake City, UT 84180-1205
Mr. Jed Spencer
(801) 321-7220
jspencer@utahsbr.edu
http://www.uheaa.org
750 Vermont
Vermont Student Assistance Corporation
Attn: Manager of School Policy and Compliance
The Champlain Mill
1 Main Street
Winooski, VT 05404
Ms. Marcia Vance
(802) 654-3770 ext. 273
(800) 660-3561 ext. 273
vance@vsac.org
http://www.vsac.org

751 Virginia
Educational Credit Management Corporation (ECMC)
ECMC Guarantee Servicing
Attn: Program Compliance Specialist
411 East Franklin Street, Suite 300
Richmond, VA 23219-2243
Ms. Linda Woodley
(888) 775-3262 ext. 8024
lwoodley@ecmc.org
http://www.ecmc.org

753 Washington
Northwest Education Loan Association
Attn: School Compliance Representative
500 Coleman Building
811 First Avenue
Seattle, WA 98104
Ms. Linda Shannon
(206) 461-5325
lindas@nela.net
http://www.nela.net

755 Wisconsin
Great Lakes Higher Education Guaranty Corporation
Attn: Lori Yaun
2401 International Lane
Madison, WI 53704
Ms. Lori Yaun
(608) 246-1622
lyaun@glhec.org
http://www.glhec.org

772 Puerto Rico
Great Lakes Higher Education Guaranty Corporation
Attn: Lori Yaun
2401 International Lane
Madison, WI 53704
Ms. Lori Yaun
(608) 246-1622
lyaun@glhec.org
http://www.glhec.org

778 Virgin Islands
Great Lakes Higher Education Guaranty Corporation
Attn: Lori Yaun
2401 International Lane
Madison, WI 53704
Ms. Lori Yaun
(608) 246-1622
lyaun@glhec.org
http://www.glhec.org
Appendix A

Guaranty Agency/Direct Loan Servicer Contacts

800 USA Funds
USA Funds
Attn: Mr. Bruce Bement
11100 USA Parkway
Fishers, IN 46038

Mr. Bruce Bement
(317) 595-1352
bbement@usafunds.org
http://www.usafunds.org

927 Educational Credit Management Corporation (ECMC)
[Formerly Transitional Guaranty Agency (TGA)]

Educational Credit Management Corporation (ECMC)
ECMC Guarantee Servicing
Attn: Program Compliance Specialist
411 East Franklin Street, Suite 300
Richmond, VA 23219-2243

Ms. Linda Woodley
(888) 775-3262 ext. 8024
lwoodley@ecmc.org
http://www.ecmc.org

804 Arizona
USA Funds
Attn: Mr. Bruce Bement
11100 USA Parkway
Fishers, IN 46038

Mr. Bruce Bement
(317) 595-1352
bbement@usafunds.org
http://www.usafunds.org

951 Educational Credit Management Corporation (ECMC)

Educational Credit Management Corporation (ECMC)
ECMC Guarantee Servicing
Attn: Program Compliance Specialist
411 East Franklin Street, Suite 300
Richmond, VA 23219-2243

Ms. Linda Woodley
(888) 775-3262 ext. 8024
lwoodley@ecmc.org
http://www.ecmc.org

815 Hawaii
USA Funds
Attn: Mr. Bruce Bement
11100 USA Parkway
Fishers, IN 46038

Mr. Bruce Bement
(317) 595-1352
bbement@usafunds.org
http://www.usafunds.org

American Samoa (no number code)

USA Funds
Attn: Mr. Bruce Bement
11100 USA Parkway
Fishers, IN 46038

Mr. Bruce Bement
(317) 595-1352
bbement@usafunds.org
http://www.usafunds.org
Federated States of Micronesia, Marshall Islands, and Republic of Palau (no number code)
USA Funds
Attn: Mr. Bruce Bement
11100 USA Parkway
Fishers, IN 46038
Mr. Bruce Bement
(317) 595-1352
bbement@usafunds.org
http://www.usafunds.org

Guam (no number code)
USA Funds
Attn: Mr. Bruce Bement
11100 USA Parkway
Fishers, IN 46038
Mr. Bruce Bement
(317) 595-1352
bbement@usafunds.org
http://www.usafunds.org

Northern Mariana Islands (no number code)
USA Funds
Attn: Mr. Bruce Bement
11100 USA Parkway
Fishers, IN 46038
Mr. Bruce Bement
(317) 595-1352
bbement@usafunds.org
http://www.usafunds.org
The list that follows contains, in **alphabetical order**, the names of states/territories/entities primarily associated with the guarantor/servicer code listed on the loan record detail report.

The number in the second column is the guarantor/servicer code identified on the loan record detail report for each loan record. See pages 3 through 14 of this appendix for a list of these guarantor/servicer codes in numerical order, followed by the names of the points of contacts, their addresses, telephone numbers, and e-mail and website addresses (if available).

<table>
<thead>
<tr>
<th>State and/or Territory</th>
<th>Guarantor/Servicer code</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alabama</td>
<td>701</td>
</tr>
<tr>
<td>Alaska</td>
<td>702</td>
</tr>
<tr>
<td>American Samoa</td>
<td>no number code</td>
</tr>
<tr>
<td>Arizona</td>
<td>804</td>
</tr>
<tr>
<td>Arkansas</td>
<td>705</td>
</tr>
<tr>
<td>California</td>
<td>706</td>
</tr>
<tr>
<td>Colorado</td>
<td>708</td>
</tr>
<tr>
<td>Connecticut</td>
<td>709</td>
</tr>
<tr>
<td>Delaware</td>
<td>710</td>
</tr>
<tr>
<td>Direct Loan Servicer</td>
<td>0101</td>
</tr>
<tr>
<td>District of Columbia</td>
<td>611</td>
</tr>
<tr>
<td>Educational Credit Management Corporation (ECMC)</td>
<td>927 and 951</td>
</tr>
<tr>
<td>Federated States of Micronesia, Marshall Islands, Republic of</td>
<td>no number code</td>
</tr>
<tr>
<td>Paulau</td>
<td></td>
</tr>
<tr>
<td>Florida</td>
<td>712</td>
</tr>
<tr>
<td>Georgia</td>
<td>713</td>
</tr>
<tr>
<td>Guam</td>
<td>no number code</td>
</tr>
<tr>
<td>Hawaii</td>
<td>815</td>
</tr>
<tr>
<td>Idaho</td>
<td>716</td>
</tr>
<tr>
<td>Illinois</td>
<td>717</td>
</tr>
<tr>
<td>Indiana</td>
<td>718</td>
</tr>
<tr>
<td>Iowa</td>
<td>719</td>
</tr>
<tr>
<td>Kansas</td>
<td>620</td>
</tr>
<tr>
<td>Kentucky</td>
<td>721</td>
</tr>
<tr>
<td>State and/or Territory</td>
<td>Guarantor/Servicer code</td>
</tr>
<tr>
<td>-----------------------------</td>
<td>-------------------------</td>
</tr>
<tr>
<td>Louisiana</td>
<td>722</td>
</tr>
<tr>
<td>Maine</td>
<td>723</td>
</tr>
<tr>
<td>Maryland</td>
<td>724</td>
</tr>
<tr>
<td>Massachusetts</td>
<td>725</td>
</tr>
<tr>
<td>Michigan</td>
<td>726</td>
</tr>
<tr>
<td>Minnesota</td>
<td>727</td>
</tr>
<tr>
<td>Mississippi</td>
<td>728</td>
</tr>
<tr>
<td>Missouri</td>
<td>729</td>
</tr>
<tr>
<td>Montana</td>
<td>730</td>
</tr>
<tr>
<td>Nebraska</td>
<td>731</td>
</tr>
<tr>
<td>Nevada</td>
<td>732</td>
</tr>
<tr>
<td>New Hampshire</td>
<td>733</td>
</tr>
<tr>
<td>New Jersey</td>
<td>734</td>
</tr>
<tr>
<td>New Mexico</td>
<td>735</td>
</tr>
<tr>
<td>New York</td>
<td>736</td>
</tr>
<tr>
<td>North Carolina</td>
<td>737</td>
</tr>
<tr>
<td>North Dakota</td>
<td>738</td>
</tr>
<tr>
<td>Northern Mariana Islands</td>
<td>no number code</td>
</tr>
<tr>
<td>Ohio</td>
<td>739</td>
</tr>
<tr>
<td>Oklahoma</td>
<td>740</td>
</tr>
<tr>
<td>Oregon</td>
<td>741</td>
</tr>
<tr>
<td>Pennsylvania</td>
<td>742</td>
</tr>
<tr>
<td>Puerto Rico</td>
<td>772</td>
</tr>
<tr>
<td>Rhode Island</td>
<td>744</td>
</tr>
<tr>
<td>South Carolina</td>
<td>745</td>
</tr>
<tr>
<td>South Dakota</td>
<td>746</td>
</tr>
<tr>
<td>Tennessee</td>
<td>747</td>
</tr>
<tr>
<td>Texas</td>
<td>748</td>
</tr>
<tr>
<td>U.S. Department of Education</td>
<td>555, 627, and 631</td>
</tr>
<tr>
<td>USA Funds</td>
<td>800</td>
</tr>
<tr>
<td>Utah</td>
<td>749</td>
</tr>
<tr>
<td>Vermont</td>
<td>750</td>
</tr>
<tr>
<td>Virgin Islands</td>
<td>778</td>
</tr>
<tr>
<td>Virginia</td>
<td>751</td>
</tr>
<tr>
<td>Washington</td>
<td>753</td>
</tr>
<tr>
<td>West Virginia</td>
<td>654</td>
</tr>
<tr>
<td>Wisconsin</td>
<td>755</td>
</tr>
<tr>
<td>Wyoming</td>
<td>656</td>
</tr>
</tbody>
</table>
Appendix B

Extract File Layout for Electronic Loan Record Detail Report and Repayment Information

The file layout contained in this appendix applies to the extract file associated with both the electronic loan record detail report and the repayment information detailed file format. The file layout contains:

◊ positions;
◊ field lengths;
◊ field formats;
◊ field names;

AND
◊ field descriptions.

The file layout is divided into three sections —

(1) **Header Record Layout**, which provides the layout for the single header record of the file. This record contains general information about the detail records contained in the file.

(2) **Detail Layout**, which provides the layout for the detail records in the file. These records contain all of the student and loan-specific information.

AND
(3) **Trailer Record Layout**, which provides the layout for the single trailer record of the file. This record contains selected summary calculations for the detail records contained in the file.

For an in-depth discussion on each field within these records, please refer to the “Loan Record Detail Report” section beginning on page 37.

<table>
<thead>
<tr>
<th>Position from</th>
<th>Position to</th>
<th>Field Length</th>
<th>Field Format</th>
<th>Name</th>
<th>Description Field Content</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>20</td>
<td>20</td>
<td>Character</td>
<td>Filler</td>
<td>Filler</td>
</tr>
<tr>
<td>21</td>
<td>21</td>
<td>1</td>
<td>Numeric</td>
<td>Record Type</td>
<td>Indicator used to identify the header record. Value must be “1” (one).</td>
</tr>
<tr>
<td>22</td>
<td>29</td>
<td>8</td>
<td>Numeric</td>
<td>Organization ID Number</td>
<td>The eight-digit ED OPE ID code used to identify the school receiving the loan record detail report.</td>
</tr>
<tr>
<td>30</td>
<td>143</td>
<td>114</td>
<td>Character</td>
<td>Filler</td>
<td>Filler</td>
</tr>
<tr>
<td>144</td>
<td>203</td>
<td>60</td>
<td>Character</td>
<td>Organization Name</td>
<td>School's name.</td>
</tr>
<tr>
<td>204</td>
<td>253</td>
<td>50</td>
<td>Character</td>
<td>Address</td>
<td>School's address.</td>
</tr>
<tr>
<td>254</td>
<td>273</td>
<td>20</td>
<td>Character</td>
<td>City</td>
<td>School's city.</td>
</tr>
<tr>
<td>274</td>
<td>275</td>
<td>2</td>
<td>Character</td>
<td>State</td>
<td>School's state.</td>
</tr>
<tr>
<td>276</td>
<td>295</td>
<td>20</td>
<td>Character</td>
<td>Country</td>
<td>School's country.</td>
</tr>
<tr>
<td>305</td>
<td>312</td>
<td>8</td>
<td>Date</td>
<td>Request Date</td>
<td>Identifies the request date of the loan record detail report report; format is CCYMMDD.</td>
</tr>
<tr>
<td>313</td>
<td>320</td>
<td>8</td>
<td>Date</td>
<td>Rate Calculation Date</td>
<td>Identifies the date the rate was calculated; format is CCYMMDD.</td>
</tr>
<tr>
<td>321</td>
<td>324</td>
<td>4</td>
<td>Date</td>
<td>Cohort Year</td>
<td>Identifies the cohort period associated with the report; format is CCYY.</td>
</tr>
<tr>
<td>325</td>
<td>331</td>
<td>7</td>
<td>Character</td>
<td>Title IV Program</td>
<td>Identifies the program type of loans included in the loan record detail report.</td>
</tr>
<tr>
<td>332</td>
<td>334</td>
<td>3</td>
<td>Character</td>
<td>Filler</td>
<td>Filler</td>
</tr>
<tr>
<td>335</td>
<td>335</td>
<td>1</td>
<td>Numeric</td>
<td>Filler</td>
<td>Filler</td>
</tr>
</tbody>
</table>
## DETAIL RECORD LAYOUT

<table>
<thead>
<tr>
<th>Position from</th>
<th>Position to</th>
<th>Field Length</th>
<th>Field Format</th>
<th>Name</th>
<th>Description Field Content</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>20</td>
<td>20</td>
<td>Character</td>
<td>Filler</td>
<td>Filler</td>
</tr>
<tr>
<td>21</td>
<td>21</td>
<td>1</td>
<td>Character</td>
<td>Record Type</td>
<td>Indicator used to identify the detail record. Value must be &quot;2&quot; (two).</td>
</tr>
<tr>
<td>22</td>
<td>29</td>
<td>8</td>
<td>Character</td>
<td>School Code</td>
<td>An eight-digit code used by ED OPE to identify the school submitting the loan record detail report request.</td>
</tr>
<tr>
<td>30</td>
<td>37</td>
<td>8</td>
<td>Character</td>
<td>Filler</td>
<td>Filler</td>
</tr>
<tr>
<td>38</td>
<td>46</td>
<td>9</td>
<td>Character</td>
<td>SSN</td>
<td>Title IV recipient's or beneficiary's Social Security Number.</td>
</tr>
<tr>
<td>47</td>
<td>47</td>
<td>1</td>
<td>Character</td>
<td>Default Rate Usage Code</td>
<td>Identifies how the loan is counted in the school's cohort default rate calculation.</td>
</tr>
<tr>
<td>48</td>
<td>65</td>
<td>18</td>
<td>Character</td>
<td>Filler</td>
<td>Filler</td>
</tr>
<tr>
<td>66</td>
<td>100</td>
<td>35</td>
<td>Character</td>
<td>Current Last Name</td>
<td>Title IV recipient’s or beneficiary’s current last name.</td>
</tr>
<tr>
<td>101</td>
<td>112</td>
<td>12</td>
<td>Character</td>
<td>Current First Name</td>
<td>Title IV recipient’s or beneficiary’s current first name.</td>
</tr>
<tr>
<td>113</td>
<td>113</td>
<td>1</td>
<td>Character</td>
<td>Student Middle Initial</td>
<td>Title IV recipient’s or beneficiary’s middle initial.</td>
</tr>
<tr>
<td>114</td>
<td>121</td>
<td>8</td>
<td>Numeric</td>
<td>Student Date of Birth</td>
<td>Title IV recipient’s or beneficiary’s date of birth.</td>
</tr>
<tr>
<td>122</td>
<td>129</td>
<td>8</td>
<td>Character</td>
<td>Original School Code</td>
<td>ED OPE code for school that certified/originated the loan for the borrower.</td>
</tr>
<tr>
<td>130</td>
<td>137</td>
<td>8</td>
<td>Numeric</td>
<td>Begin Class Date</td>
<td>The date classes were scheduled to begin for the loan period covered by the loan.</td>
</tr>
<tr>
<td>138</td>
<td>145</td>
<td>8</td>
<td>Numeric</td>
<td>End Class Date</td>
<td>The date classes were scheduled to end for the loan period covered by the loan.</td>
</tr>
<tr>
<td>146</td>
<td>146</td>
<td>1</td>
<td>Character</td>
<td>Academic Level</td>
<td>Student’s academic or grade level in school at the beginning of the specific period covered by the loan.</td>
</tr>
<tr>
<td>147</td>
<td>152</td>
<td>6</td>
<td>Character</td>
<td>Original Lender/ Servicer Code</td>
<td>Code for entity that provided the loan to the student; identifies the originating holder of the loan.</td>
</tr>
<tr>
<td>153</td>
<td>156</td>
<td>4</td>
<td>Character</td>
<td>Filler</td>
<td>Filler</td>
</tr>
<tr>
<td>157</td>
<td>162</td>
<td>6</td>
<td>Character</td>
<td>Current Lender/ Servicer Code</td>
<td>Current lender code.</td>
</tr>
<tr>
<td>Position from</td>
<td>Position to</td>
<td>Field Length</td>
<td>Field Format</td>
<td>Name</td>
<td>Description &amp; Field Content</td>
</tr>
<tr>
<td>--------------</td>
<td>-------------</td>
<td>--------------</td>
<td>--------------</td>
<td>------</td>
<td>-----------------------------</td>
</tr>
<tr>
<td>163</td>
<td>166</td>
<td>4</td>
<td>Character</td>
<td>Current Lender/Servicer Branch</td>
<td>Current lender branch.</td>
</tr>
<tr>
<td>167</td>
<td>168</td>
<td>2</td>
<td>Character</td>
<td>Loan Type</td>
<td>The type of loan.</td>
</tr>
<tr>
<td>169</td>
<td>170</td>
<td>2</td>
<td>Character</td>
<td>Loan Status Code</td>
<td>The status of the borrower's loan.</td>
</tr>
<tr>
<td>171</td>
<td>178</td>
<td>8</td>
<td>Numeric</td>
<td>Loan Status Code Date</td>
<td>Effective date of the loan status code.</td>
</tr>
<tr>
<td>179</td>
<td>186</td>
<td>8</td>
<td>Numeric</td>
<td>Repay Date</td>
<td>Date loan entered repayment.</td>
</tr>
<tr>
<td>187</td>
<td>192</td>
<td>6</td>
<td>Numeric</td>
<td>Amount</td>
<td>Full amount of the loan.</td>
</tr>
<tr>
<td>193</td>
<td>195</td>
<td>3</td>
<td>Character</td>
<td>Code for Guarantor/Servicer</td>
<td>Entity that guaranties the loan on behalf of the Department or entity that the Department contracts with to service Direct Loans.</td>
</tr>
<tr>
<td>196</td>
<td>203</td>
<td>8</td>
<td>Numeric</td>
<td>Guaranty Loan Date</td>
<td>Date that the guaranty agency insured an FFEL Program loan or the first date of disbursement for a Direct Loan Program.</td>
</tr>
<tr>
<td>204</td>
<td>211</td>
<td>8</td>
<td>Numeric</td>
<td>Default NegAm Date</td>
<td>Date that a default claim was paid on an FFEL Program loan or the day of default, for cohort default rate purposes, for Direct Loan Program loans or the day certain Direct Loan Program loans are considered in default, for cohort default rate purposes, if the loan has been in an income contingent repayment plan with payments of less than $15 per month that resulted in negative amortization for a certain period of time.</td>
</tr>
<tr>
<td>212</td>
<td>213</td>
<td>2</td>
<td>Character</td>
<td>Claim Reason Code</td>
<td>Identifies the reason a claim was paid on an FFEL Program loan or if a Direct Loan Program has defaulted or, for some Direct Loan Program loans, if the loan entered into an income contingent repayment plan that resulted in negative amortization.</td>
</tr>
<tr>
<td>214</td>
<td>234</td>
<td>21</td>
<td>Character</td>
<td>Filler</td>
<td>Filler</td>
</tr>
<tr>
<td>235</td>
<td>235</td>
<td>1</td>
<td>Character</td>
<td>Enrollment Code</td>
<td>Student's enrollment status at the time the cohort default rate was calculated.</td>
</tr>
<tr>
<td>Position from</td>
<td>Position to</td>
<td>Field Length</td>
<td>Field Format</td>
<td>Name</td>
<td>Description Field Content</td>
</tr>
<tr>
<td>--------------</td>
<td>-------------</td>
<td>--------------</td>
<td>--------------</td>
<td>------</td>
<td>---------------------------</td>
</tr>
<tr>
<td>236</td>
<td>243</td>
<td>8</td>
<td>Numeric</td>
<td>Enrollment Code Date</td>
<td>Effective date of the Enrollment Status Code. If no data is available, the guaranty agency or Direct Loan servicer may use 01/01/1900.</td>
</tr>
<tr>
<td>244</td>
<td>244</td>
<td>1</td>
<td>Character</td>
<td>Program Type</td>
<td>Identifies loan program type “F” (FFEL) or “D” (Direct Loan).</td>
</tr>
<tr>
<td>245</td>
<td>249</td>
<td>5</td>
<td>Character</td>
<td>Filler</td>
<td>Filler</td>
</tr>
<tr>
<td>250</td>
<td>255</td>
<td>6</td>
<td>Numeric</td>
<td>Claim Amount</td>
<td>The claim amount.</td>
</tr>
<tr>
<td>256</td>
<td>261</td>
<td>6</td>
<td>Numeric</td>
<td>Outstanding Principal Balance</td>
<td>The original dollar amount of the loan.</td>
</tr>
<tr>
<td>262</td>
<td>263</td>
<td>2</td>
<td>Character</td>
<td>Usage Two</td>
<td>Identifies how the loan is counted in each individual loan program (i.e., the FFEL Program and/or the Direct Loan Program).</td>
</tr>
<tr>
<td>264</td>
<td>320</td>
<td>57</td>
<td>Character</td>
<td>Filler</td>
<td>Filler</td>
</tr>
<tr>
<td>321</td>
<td>324</td>
<td>4</td>
<td>Character</td>
<td>Cohort Year</td>
<td>Identifies the cohort year; format is CCYY.</td>
</tr>
<tr>
<td>325</td>
<td>335</td>
<td>11</td>
<td>Character</td>
<td>Filler</td>
<td>Filler</td>
</tr>
</tbody>
</table>
# TRAILER RECORD LAYOUT

<table>
<thead>
<tr>
<th>Position from</th>
<th>Position to</th>
<th>Field Length</th>
<th>Field Format</th>
<th>Name</th>
<th>Description Field Content</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>20</td>
<td>20</td>
<td>Character</td>
<td>Filler</td>
<td>Filler</td>
</tr>
<tr>
<td>21</td>
<td>21</td>
<td>1</td>
<td>Character</td>
<td>Record Type</td>
<td>Indicator used to identify the trailer record. Value must be &quot;3&quot; (three).</td>
</tr>
<tr>
<td>22</td>
<td>29</td>
<td>8</td>
<td>Character</td>
<td>School Code</td>
<td>An eight-digit ED OPE code used to identify the school receiving the loan record detail report.</td>
</tr>
<tr>
<td>30</td>
<td>31</td>
<td>2</td>
<td>Character</td>
<td>Filler</td>
<td>Filler</td>
</tr>
<tr>
<td>32</td>
<td>39</td>
<td>8</td>
<td>Numeric</td>
<td>Actual Numerator Count</td>
<td>The total number of unduplicated borrowers reported in the numerator of the cohort default rate. The report count for the numerator represents the unduplicated report with a &quot;B&quot; in the usage code 1 field.</td>
</tr>
<tr>
<td>40</td>
<td>47</td>
<td>8</td>
<td>Numeric</td>
<td>Actual Denominator Count</td>
<td>The total number of unduplicated borrowers reported in the denominator of the cohort default rate. The report count for the denominator represents the unduplicated borrower listed on the loan record detail report with a &quot;D&quot; or &quot;B&quot; in the usage code 1 field.</td>
</tr>
<tr>
<td>48</td>
<td>55</td>
<td>8</td>
<td>Numeric</td>
<td>Report Count</td>
<td>Identifies the unduplicated number of borrowers included in the numerator of the cohort default rate calculation.</td>
</tr>
<tr>
<td>56</td>
<td>63</td>
<td>8</td>
<td>Numeric</td>
<td>Report Count</td>
<td>Identifies the unduplicated number of borrowers included in the denominator of the cohort default rate calculation.</td>
</tr>
<tr>
<td>64</td>
<td>71</td>
<td>8</td>
<td>Numeric</td>
<td>IC</td>
<td>Identifies the number of borrowers meeting income contingency repayment conditions on the loan record detail report.</td>
</tr>
<tr>
<td>72</td>
<td>79</td>
<td>8</td>
<td>Numeric</td>
<td>Individual Program Tally</td>
<td>The total number of unduplicated borrowers counted in the numerator of the FFEL Program.</td>
</tr>
<tr>
<td>80</td>
<td>87</td>
<td>8</td>
<td>Numeric</td>
<td>Individual Program Tally</td>
<td>The total number of unduplicated borrowers counted in the denominator of the FFEL Program.</td>
</tr>
<tr>
<td>88</td>
<td>95</td>
<td>8</td>
<td>Numeric</td>
<td>Individual Program Tally</td>
<td>The total number of unduplicated borrowers counted in the numerator of the Direct Loan Program.</td>
</tr>
<tr>
<td>96</td>
<td>103</td>
<td>8</td>
<td>Numeric</td>
<td>Individual Program Tally</td>
<td>The total number of unduplicated borrowers counted in the denominator of the Direct Loan Program.</td>
</tr>
<tr>
<td>Position from</td>
<td>Position to</td>
<td>Field Length</td>
<td>Field Format</td>
<td>Name</td>
<td>Description Field Content</td>
</tr>
<tr>
<td>--------------</td>
<td>-------------</td>
<td>--------------</td>
<td>--------------</td>
<td>-----------------------------</td>
<td>------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>104</td>
<td>135</td>
<td>32</td>
<td>Numeric</td>
<td>Filler</td>
<td>Filler</td>
</tr>
<tr>
<td>136</td>
<td>136</td>
<td>1</td>
<td>Character</td>
<td>Appealed Rate Flag</td>
<td>Identifies if the cohort default rate has been revised due to an appeal.</td>
</tr>
<tr>
<td>137</td>
<td>146</td>
<td>10</td>
<td>Numeric</td>
<td>Dual Total Dollars in Default</td>
<td>Total dollars in default. The FFEL Program and Direct Loan Program entries within this field indicate the total dollar volume of defaulted loans included in the cohort default rate calculation.</td>
</tr>
<tr>
<td>147</td>
<td>156</td>
<td>10</td>
<td>Numeric</td>
<td>Dual Total Dollars in Repayment</td>
<td>Total dollars in repayment. The FFEL Program and Direct Loan Program entries within this field indicate the total dollar volume for loans that have entered into repayment during the cohort period in question.</td>
</tr>
<tr>
<td>157</td>
<td>166</td>
<td>10</td>
<td>Numeric</td>
<td>FFEL Total Dollars in Default</td>
<td>Dollars in default on FFEL Program.</td>
</tr>
<tr>
<td>167</td>
<td>176</td>
<td>10</td>
<td>Numeric</td>
<td>FFEL Total Dollars in Repayment</td>
<td>Dollars in repayment on FFEL Program.</td>
</tr>
<tr>
<td>177</td>
<td>186</td>
<td>10</td>
<td>Numeric</td>
<td>Direct Total Dollars in Default</td>
<td>Dollars in default on Direct Loan Program.</td>
</tr>
<tr>
<td>187</td>
<td>196</td>
<td>10</td>
<td>Numeric</td>
<td>Direct Total Dollars in Repayment</td>
<td>Dollars in repayment on Direct Loan Program.</td>
</tr>
<tr>
<td>197</td>
<td>206</td>
<td>10</td>
<td>Numeric</td>
<td>Total Insurance Claim Payments</td>
<td>Identifies the total dollar amount for insurance claim payments.</td>
</tr>
<tr>
<td>207</td>
<td>320</td>
<td>114</td>
<td>Character</td>
<td>Filler</td>
<td>Filler</td>
</tr>
<tr>
<td>321</td>
<td>324</td>
<td>4</td>
<td>Date</td>
<td>Trailer Sort Cohort Year</td>
<td>Identifies the cohort year; format is CCYY.</td>
</tr>
<tr>
<td>325</td>
<td>335</td>
<td>11</td>
<td>Character</td>
<td>Filler</td>
<td>Filler</td>
</tr>
</tbody>
</table>
Appendix C
Message Classes
for Electronic Loan Record Detail Reports

A Title IV WAN message class is a filename that the U.S. Department of Education (Department) uses to distribute data over the Title IV WAN network.

At the time this Guide was sent to print, it was unclear if the Department would be able to provide electronic loan record detail reports for cohort default rates other than fiscal years (FY) 1998 and FY 1999. However, if the Department is able to provide electronic loan record detail reports for cohort default rates other than FY 1998 and FY 1999, this appendix outlines the message classes associated with those cohort default rates that will be made available.

The message classes for the electronic loan record detail reports consist of eight digits.

- The first digit identifies whether the data contained in the file are draft or official cohort default rate data (i.e., D or O).
- The second and third digits indicate that the file contains default rates (i.e., DR).
- The fourth digit indicates whether the file is an extract or report (i.e., E or R).
- The fifth and sixth digits identify the fiscal year associated with the cohort default rate data contained in the file (e.g., 99).
- The seventh and eighth digits are always OP.

Note: For information on requesting an electronic loan detail report please refer to the "Electronic Loan Record Detail Report" section beginning on page 57.
The message classes are sorted in numerical and alphabetical order.

### Numerical order by cohort year

<table>
<thead>
<tr>
<th>Message Class</th>
<th>Cohort Year</th>
<th>Draft or Official Cohort</th>
<th>Extract or Report</th>
</tr>
</thead>
<tbody>
<tr>
<td>DDRE99OP</td>
<td>1999</td>
<td>Draft</td>
<td>Extract</td>
</tr>
<tr>
<td>DDRR99OP</td>
<td>1999</td>
<td>Draft</td>
<td>Report</td>
</tr>
<tr>
<td>ODRE98OP</td>
<td>1998</td>
<td>Official</td>
<td>Extract</td>
</tr>
<tr>
<td>DDRE98OP</td>
<td>1998</td>
<td>Draft</td>
<td>Report</td>
</tr>
<tr>
<td>DDRR98OP</td>
<td>1998</td>
<td>Draft</td>
<td>Extract</td>
</tr>
<tr>
<td>ODRE97OP</td>
<td>1997</td>
<td>Official</td>
<td>Extract</td>
</tr>
<tr>
<td>ODRR97OP</td>
<td>1997</td>
<td>Official</td>
<td>Report</td>
</tr>
<tr>
<td>DDRE97OP</td>
<td>1997</td>
<td>Draft</td>
<td>Report</td>
</tr>
<tr>
<td>DDRR97OP</td>
<td>1997</td>
<td>Draft</td>
<td>Extract</td>
</tr>
<tr>
<td>ODRE96OP</td>
<td>1996</td>
<td>Official</td>
<td>Extract</td>
</tr>
<tr>
<td>ODRR96OP</td>
<td>1996</td>
<td>Official</td>
<td>Report</td>
</tr>
<tr>
<td>DDRE96OP</td>
<td>1996</td>
<td>Draft</td>
<td>Extract</td>
</tr>
<tr>
<td>DDRR96OP</td>
<td>1996</td>
<td>Draft</td>
<td>Report</td>
</tr>
<tr>
<td>ODRE95OP</td>
<td>1995</td>
<td>Official</td>
<td>Extract</td>
</tr>
<tr>
<td>ODRR95OP</td>
<td>1995</td>
<td>Official</td>
<td>Report</td>
</tr>
<tr>
<td>DDRE95OP</td>
<td>1995</td>
<td>Draft</td>
<td>Report</td>
</tr>
<tr>
<td>DDRR95OP</td>
<td>1995</td>
<td>Draft</td>
<td>Extract</td>
</tr>
<tr>
<td>ODRE94OP</td>
<td>1994</td>
<td>Official</td>
<td>Extract</td>
</tr>
<tr>
<td>ODRR94OP</td>
<td>1994</td>
<td>Official</td>
<td>Report</td>
</tr>
<tr>
<td>DDRE94OP</td>
<td>1994</td>
<td>Draft</td>
<td>Report</td>
</tr>
<tr>
<td>DDRR94OP</td>
<td>1994</td>
<td>Draft</td>
<td>Extract</td>
</tr>
<tr>
<td>ODRE93OP</td>
<td>1993</td>
<td>Official</td>
<td>Extract</td>
</tr>
<tr>
<td>ODRR93OP</td>
<td>1993</td>
<td>Official</td>
<td>Report</td>
</tr>
<tr>
<td>DDRE93OP</td>
<td>1993</td>
<td>Draft</td>
<td>Extract</td>
</tr>
<tr>
<td>DDRR93OP</td>
<td>1993</td>
<td>Draft</td>
<td>Report</td>
</tr>
</tbody>
</table>

### Alphabetical order by message class

<table>
<thead>
<tr>
<th>Message Class</th>
<th>Cohort Year</th>
<th>Draft or Official Cohort</th>
<th>Extract or Report</th>
</tr>
</thead>
<tbody>
<tr>
<td>DDRE93OP</td>
<td>1993</td>
<td>Draft</td>
<td>Extract</td>
</tr>
<tr>
<td>DDRR93OP</td>
<td>1993</td>
<td>Draft</td>
<td>Report</td>
</tr>
<tr>
<td>DDRE94OP</td>
<td>1994</td>
<td>Draft</td>
<td>Extract</td>
</tr>
<tr>
<td>DDRR94OP</td>
<td>1994</td>
<td>Draft</td>
<td>Report</td>
</tr>
<tr>
<td>DDRE95OP</td>
<td>1995</td>
<td>Draft</td>
<td>Extract</td>
</tr>
<tr>
<td>DDRR95OP</td>
<td>1995</td>
<td>Draft</td>
<td>Report</td>
</tr>
<tr>
<td>DDRE96OP</td>
<td>1996</td>
<td>Draft</td>
<td>Extract</td>
</tr>
<tr>
<td>DDRR96OP</td>
<td>1996</td>
<td>Draft</td>
<td>Report</td>
</tr>
<tr>
<td>DDRE97OP</td>
<td>1997</td>
<td>Draft</td>
<td>Extract</td>
</tr>
<tr>
<td>DDRR97OP</td>
<td>1997</td>
<td>Draft</td>
<td>Report</td>
</tr>
<tr>
<td>DDRE98OP</td>
<td>1998</td>
<td>Draft</td>
<td>Extract</td>
</tr>
<tr>
<td>DDRR98OP</td>
<td>1998</td>
<td>Draft</td>
<td>Report</td>
</tr>
<tr>
<td>DDRE99OP</td>
<td>1999</td>
<td>Draft</td>
<td>Extract</td>
</tr>
</tbody>
</table>
Appendix D

User Comments on the FY 1999 Draft Cohort Default Rate Guide

Please TYPE or PRINT the following. The Department may contact you for further clarification on your comments.

<table>
<thead>
<tr>
<th>Organization Name:</th>
<th>School OPE-ID # (if applicable):</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Organization Mailing Address:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Person completing this form:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Telephone number: ( )</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Was the Guide easy to read and understand?</th>
<th>YES</th>
<th>NO</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Did you like the separation of challenge information from general cohort default rate information?</th>
<th>YES</th>
<th>NO</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Did this format make it easier for your school or entity to prepare its challenge OR response?</th>
<th>YES</th>
<th>NO</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Were the instructions and spreadsheets easy to follow and understand?</th>
<th>YES</th>
<th>NO</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Are there issues that were not discussed in the Guide that you would like to see in future editions?</th>
<th>YES</th>
<th>NO</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>General comments</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
</tr>
</tbody>
</table>

If sent by overnight mail send your comments to:

U.S. Department of Education
Default Management Office
Attn: Guide Comments
Portals Building, Room 6300
1250 Maryland Avenue, SW
Washington, DC 20024

If sent by U.S. Postal Service, send your comments to:

U.S. Department of Education
Default Management Office
Attn: Guide Comments
Portals Building, Room 6300
400 Maryland Avenue, SW
Washington, DC 20202-5353
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