

UCB Students' FY 2010 3-Year Official Cohort Default Rate Notification Letter

UNITED STATES DEPARTMENT OF EDUCATION
WASHINGTON, D.C. 20202
September 2013

University of Colorado Boulder	OPE ID:	001370
Regent Administrative Center 175, 77	FY 2010 3-Year Cohort	5
UCB	Default Rate:	
Boulder, CO 80309-0077		
NL01		

RE: FY 2010 3-Year Official Cohort Default Rate Notification Letter

Dear President:

On October 28, 2009, the U.S. Department of Education (Department) published in the Federal Register the regulations enacted by the Higher Education Opportunity Act of 2009 that will govern the calculation of cohort default rates. Under the new provisions, an institution's Cohort Default Rate is calculated as the percentage of borrowers in the cohort who default before the end of the second fiscal year following the fiscal year in which the borrowers entered repayment. This extends the length of time in which a student can default from two to three years.

Beginning with the fiscal year (FY) 2009 cohort year, schools received both a two and three year cohort default rate. Schools will also receive a two and three year cohort default rate this year. It is important to note that this year is the last year that two year cohort default rates will be released. Next year in 2014, the FY 2011 3-Year cohort default rate will be the only cohort default rate released.

This letter officially notifies you of your school's fiscal year (FY) 2010 3-Year cohort default rate based on Federal Family Education Loan (FFEL) Program and/or William D. Ford Federal Direct Loan (Direct Loan) Program loans made to students for attendance at your school. Your school's FY 2010 3-Year cohort default rate is shown above. Please note that even if your school is no longer participating in the student loan program(s), federal law requires the Department to notify your school of its cohort default rate.

Since the Department is no longer mailing hardcopies of the cohort default rate notification letters to any schools, please refer to <http://www.ed.gov/offices/OSFAP/defaultmanagement/ecdr.html> for a description of the other files that the Department transmitted to you along with this letter.

WHAT FORMULA DID THE DEPARTMENT USE TO CALCULATE MY SCHOOL'S RATE?

The Department uses one of two methods for calculation of cohort default rates:

1. Official non-average rate for schools with 30 or more borrowers entering repayment,
2. Unofficial rate for schools with 29 or fewer borrowers entering repayment with less than three years of data.

For a complete explanation of the types of rates, please see Chapter 2.1 of the Cohort Default Rate Guide, How the Rates are Calculated, available at <http://www.ifap.ed.gov/DefaultManagement/guide/CDRGuidePart2.html>.

WHAT TYPES OF LOANS DID THE DEPARTMENT INCLUDE IN MY SCHOOL'S RATE CALCULATION?

The Department included three types of loans in your school's cohort default rate calculation:

- 1) Federal Stafford Subsidized and Federal Stafford Unsubsidized Loans
- 2) Federal Direct Subsidized and Federal Direct Unsubsidized Loans
- 3) Federal Supplemental Loans for Students (Federal SLS Loans). Although rare, it is possible for Federal SLS loans to be included in your school's cohort default rate calculation.

WHAT LOAN RECORD DETAIL REPORT (LRDR) ACCOMPANIES THIS NOTIFICATION LETTER?

Your school's FY 2010 3-Year official cohort default rate may be a non-averaged rate, or an Unofficial rate (less than 30 borrowers entering repayment). Accordingly, the LRDR that accompanies this letter reflects all loans that went into repayment during FY 2010 and defaulted by September 30, 2012.

Please note that if a technical problem caused by the Department results in an inability to access the data, schools have five business days from the receipt of the eCDR notification package to notify Operations Performance Division at the email address given below. All schools must meet the established submission timeframes for cohort default rate adjustments and appeals. The Department will not review adjustments and appeals that any school submits outside of the established timeframes.

For more information on how to read the loan record detail report, please refer to Chapter 2.3 of the Cohort Default Rate Guide, Reviewing the Loan Record Detail Report, available at <http://www.ifap.ed.gov/DefaultManagement/guide/CDRGuidePart2.html>

ARE THERE ANY SANCTIONS OR BENEFITS ASSOCIATED WITH MY RATE?

There will be no sanctions associated with your school's 3-year cohort default rate until three years of 3-Year cohort default rates have been collected. This means that the first year that a school will be subject to loss of eligibility is fiscal year 2011 which will be released in 2014.

However, if your school's FY 2010 3-Year cohort default rate is equal to or greater than 30 percent you must establish a default prevention task force

that prepares a plan to identify the factors causing your cohort default rate to exceed 30 percent and submit to the Department for review.

WILL MY RATE BE CALCULATED THE SAME IF MY SCHOOL HAS MERGED WITH ANOTHER?

The FY 2010 3-Year cohort default rate for institutions involved in a merger or change of affiliation will be based on all borrowers from the parent and the underlying institutions which have borrowers that entered repayment in FY 2010 (October 1,2009 - September 30,2010).

WHAT RIGHTS DOES MY SCHOOL HAVE TO APPEAL THIS RATE INFORMATION?

Based on your school's FY 2010 three year cohort default rate, your school may be eligible to submit the following adjustments/appeals:

Uncorrected Data Adjustment

<http://www.ifap.ed.gov/DefaultManagement/guide/CDRGuidePart4.html>

Loan Servicing Appeal

<http://www.ifap.ed.gov/DefaultManagement/guide/CDRGuidePart4.html>

New Data Adjustment

<http://www.ifap.ed.gov/DefaultManagement/guide/CDRGuidePart4.html>

All Uncorrected Data Adjustments and New Data Adjustments must be made through the eCDR Appeals application. Unless other instructions have been provided via an IFAP announcement, the Loan Servicing Appeal will continue to be submitted via hard copy. The eCDR Appeals application, as it is known, allows schools to electronically submit certain challenge/adjustment requests during the specified timeframes and allows data managers (guaranty agency or Federal Loan Servicer) and Federal Student Aid (FSA) personnel to electronically view and respond to these challenge/adjustment requests. The application tracks the entire life cycle of each request from the time the case is submitted until the time a decision is made and the case is closed.

It has come to FSA's attention that a number of schools are challenging data in the school's cohort default rate based on an incorrect understanding of the cohort default rate calculation. This results in an unnecessary increase in the workload for the schools, data managers, and FSA. The following are some scenarios that have been noted, along with an explanation of why these allegations are considered invalid based on the current logic for the cohort default rate calculation.

1. School requests that borrower be removed from numerator as borrower defaulted, then paid the loan in full (either through consolidation or another method). Borrower will continue to be counted as a defaulted borrower for cohort default rate purposes. Current regulations only allow for a defaulted loan to be removed from default for cohort default rate purposes if the borrower successfully rehabilitated the loan within the cohort period, or, for FFELs held by a guaranty agency, if the lender repurchased the loan due to the claim being submitted or paid in error. See 34 CFR Sections 668.183(c)(2) and 668.202(c)(2).

2.School alleges that borrower be removed from numerator due to an incorrect date entered repayment that is resulting in the default date for the borrower being less than 360 days from the corrected date entered repayment. This allegation type applies to Direct Loans or loans that were PUT to the Department only, since FFELs held by a guaranty agency use the claim paid date as the default date, not the 360th day of delinquency. If a data manager agrees to correct the date entered repayment, they will update the default date to the 360th day of delinquency based on the new date entered repayment. However, if the updated date entered repayment and default date still fall within the cohort period, the borrower will continue to be counted in both the numerator/denominator. If the updated date entered repayment causes the updated default date to fall outside of the cohort period, borrower will be removed from the numerator only. If the updated date entered repayment falls outside of the cohort period, borrower will be removed from both the numerator/denominator.

3.Borrower is included in more than one cohort year. This may be correct, based upon the situation. If the borrower had a break in enrollment of greater than six months, then the borrower will enter repayment on the loans from the first period of enrollment six months and one day after the borrower's last date of attendance (LDA) or less than half-time date (LTHT), then will receive another six month grace period based on the LDA or LTHT date of the second period of enrollment. This may result in the borrower being included in more than one cohort year. If the borrower's break in enrollment was less than six months, this is considered continuous enrollment and the borrower should be in only one cohort year.

4.School was involved in a change of affiliation/merger and has borrowers counted more than once in the cohort default rate. A borrower may be counted more than once in the school's cohort default rate if the borrower had loans certified under two or more of the OPE-IDs that were involved in the change of affiliation/merger. Please see page 2.5-2 of the CDR Guide.

If a school has any questions regarding the cohort default rate calculation, Chapter 2.1 of the CDR Guide includes a thorough explanation of how the rates are calculated. Additionally, a school involved in a change of affiliation/merger should read Chapter 2.5 of the CDR Guide for an explanation of how the change of affiliation/merger will affect the cohort default rates of all of the schools involved.

WHAT TOOLS AND INFORMATION ARE AVAILABLE TO HELP MONITOR AND MANAGE MY SCHOOL'S COHORT DEFAULT RATE?

Tools Information	Description	Contact Information
Cohort Default Rate Guide	http://www.ifap.ed.gov/DefaultManagement/finalcdrg.html . Reference tool designed by U.S. Dept of Education to help schools understand cohort default rates and various challenge/appeal/adjustment processes. The electronic version was revised September 2013 and may be found online.	May be printed from CDR Guide Link
Default	http://ifap.ed.gov/DefaultManagement/	Operations

Prevention and Mgmt Website	DefaultManagement.html. Contains valuable information for schools, guaranty agencies and borrowers. Contains link for eCDR process, including enrollment procedures and downloading instructions.	Performance Division 202-377-4259
eCDR Appeals	<p>Electronic Cohort Default Rate Appeals Process</p> <p>eCDR Appeals facilitates the exchange of information between parties for three of the challenge/adjustment processes: Incorrect Data Challenge (IDC), Uncorrected Data Adjustments (UDA), and New Data Adjustments (NDA). The application allows schools to electronically submit these challenges and adjustment requests during a cohort default rate cycle, and allows data managers (guaranty agency or Direct Loan Servicer) and Federal Student Aid (FSA) personnel to electronically view and respond to challenges and adjustment requests. The application tracks the entire life cycle of each challenge/adjustment request from the time the case is submitted until the time a decision is made and the case is closed.</p> <p>All users must complete the registration process to gain access to eCDR Appeals. The eCDR Appeals homepage contains a link to the Registration and User Account Guide, which gives step-by-step instructions for registration. Links to the User Guides for the three processes can also be found here, as well as a link to the Cohort Default Rate Guide.</p>	Operations Performance Division 202-377-4259
Late Stage Delinquency Assistance (LSDA)	Process whereby schools work in collaboration with servicers or guarantors to identify and provide counseling to borrowers more than 240 days late on loan repayment. For Direct Loan schools, the website https://www.myedaccount.com/ identifies borrowers whose impending default will impact the school's cohort default rate.	Direct Loan Servicer 888-877-7658 (can guide you through the process)
National Student Loan Data System (NLSDS)	https://www.nlsdsfap.ed.gov . Offers schools the opportunity to request reports in extract or preformatted formats that can be retrieved through the Students Aid Internet Gateway(SAIG) account associated with the NLSDS User Id that requested the report. Listed below are some reports NLSDS offers.	NLSDS Customer Service at (800) 999-8219
Report name	Brief Description of the NLSDS Reports	
DRC035	School CDR Rate History Report provides school with a copy of the Loan Record Detail Report that lists students in default/repayment during the cohort period indicated.	

SCHER1	Enrollment Reporting Summary Report provides school users with the chronology of enrollment reporting events.
DER001	Date Entered Repayment Report provides school users with a list of student borrowers with loan history who are scheduled to go into repayment during a specified date range.
DRC015 DRC016	School Repayment Information Loan Detail provides school users with the current repayment status of certain borrowers in FFEL/DL loan programs who attended a school during a specific period.
SCH01B	Exit Counseling Report provides school users with exit counseling information on students who attended the requesting school and whose anticipated completion dates fall within a specified date range.
DELQ01	The Delinquent Borrower Report (DELQ01) provides School users a report of borrowers who have been reported as delinquent in making loan payments to one of the federal loan servicers.
SCHPR1	The School Portfolio Report (SCHPR1) provides ED users with information about all Direct Loan and/or FFEL program loans for a specified school.

Additional tools and information may be found in Chapter 3.2 of the Cohort Default Rate Guide, Monitoring Loan Repayment Status Year-Round, available at <http://ifap.ed.gov/DefaultManagement/guide/CDRGuidePart3.html>.

If you have any questions about this letter that are not answered in the Cohort Default Rate Guide, please contact Operations Performance Division via email at FSA.Schools.Default.Management@ed.gov or via phone at (202) 377-4259.

Please be sure to include your Office of Postsecondary Education Identification Number (OPE ID) on all correspondence, as shown on page one of this letter.

Sincerely,

Katrina Turner
Director
Operations Performance Management Services
Business Operations

L:\IR\emgt\FA\fin.aid.default rate notification letter10.pdf