

Reviewing and Challenging Your 2011 Draft Cohort Default Rate

On February 18, 2014 the Department of Education released the draft 2011 3-year cohort default rate (CDR). Schools should consider reviewing the loans included in the rate for accuracy as a number of our members have found errors and have successfully appealed their CDR resulting in a lower final CDR. Having a low CDR has benefits such as exemption from the 30 day disbursement delay rule while schools with a very high CDR face a default management plan and possible loss of eligibility. Therefore, it is worth the time to review and challenge any incorrect records in the draft CDR before the deadline of April 11, 2014.

Tips for Challenging Your Rate:

After the release of the draft CDR, schools have 45 days to challenge the included loans with an Incorrect Data Challenge (IDC). Other types of challenges must be done later, when final rates are released. However, if schools do not make an IDC challenge now, they cannot challenge incorrect data in the final rates. We recommend reviewing the [“Cohort Default Rate Guide”](#) on IFAP.

Download the detailed records from EdConnect (SCHDRROP or SCHDREOP). For tips on extracting and formatting the download [click here](#).

- **Pay attention to the Usage 1 Code – This tells you if students are included in the Denominator (D) or both the numerator and denominator (B).**
 - The denominator should only include loans that entered repayment between 10/1/2010 and 9/30/2011. Any borrowers your school has on record as entering repayment within these dates who is not included in your report should be challenged to increase your denominator.
 - The numerator should only include loans that entered repayment in the time period above and defaulted between 10/1/2010 and 9/30/2013. Any loans with a “Default/NegAm Date” outside that range should be challenged.

- **Also look for loans labeled B where:**
 - The student’s “Loan Status Code” is either “DE” (Death) or “BC” (Bankruptcy Claim, Discharged).
 - The student’s “Loan Status Code” does not match one of the Defaulted codes. (Defaulted codes are any code that begins with D, except “DA” (Deferred) or “DE” (Death). Our members have found loans in their detail report with PF or DA.

- **Review the loans you find on NSLDS for more detail.**
 - Review the “Status Changes for Loan” section and ensure that the student’s loan was never coded as Defaulted, even if the loan has been rehabilitated.
 - Review the “Guaranty Agency / Lender / Servicer Agent History” to ensure that the student was never handled by DCMS (Debt Collection Management Service). Sometimes the servicer does not update the code correctly before assigning the loan to DCMS).
 - Ensure that any death or discharge date was reported prior to the student’s Default Date.



- List the cases you find on the [Schools Record Spreadsheet](#) on IFAP. Contact the servicer(s) for each loan and request a loan history document which you will need for the appeal.
- Meanwhile submit your appeal on [eCDR](#). For more detailed steps [click here](#).

Once your challenge is submitted, you should hear back from the Department of Education within 30 days on the status of your appeal. For more information, please submit the question to DIRLOAN2 and a member of the Coalition Executive Council will respond to your inquiry.



Downloading the Detail of Your Draft Cohort Default Rate

1. **Receive the following Draft Cohort Default Rate files through EdConnect around February:**
 - a. SHDRLROP – cover letter
 - b. SHCDRROP – the loan record detail information in a pre-formatted report
 - c. SHCDREOP – the loan record detail information in an unformatted extract

2. **Download the [“Cohort Default Rate Guide”](#) from IFAP.**

3. **Depending on your resources / skills, you could either use the SHCDRROP or SHCDREOP to review the draft cohort default rate report.**

4. **If you are going to use the SHCDRROP (pre-formatted report), use the “Cohort Default Rate Guide” to familiarize yourself with the layout.**
 - a. Pages 2.3-3 to 2.3-9 shows the layout of the file and how to read the different loan information codes.
 - b. Use Notepad++ to assist you in viewing the report.
 - c. If you do not have Notepad++, you can open the SHCDRROP file using Microsoft Word, and follow these steps:
 - i. Open Microsoft Word and then open your file.
 - ii. Click Edit, then Select All in the Menu bar.
 - iii. Click Format, then Font in the Menu bar.
 - iv. In the Font dialog box, change the font size to 8 and the style to Courier New, then click Ok.
 - v. Click File, then Page Setup.
 - vi. Select the Margins tab. Change the margins to:
 1. Top = 1"
 2. Bottom = 1"
 3. Left = 0.7"
 4. Right = 0.7"
 5. Gutter = 0"
 - vii. Click the Paper Size tab. Select the Landscape radio button.
 - viii. Click ok.

5. **If you are going to use the SHCDREOP (unformatted extract report), use the “Cohort Default Rate Guide” to familiarize yourself with the layout.**
 - a. Pages 2.3-10 to 2.3-20 shows the layout of the file and how to read character positions and data elements.
 - b. Using the SHCDREOP file can be a challenge. However, if you can seek help from someone who is familiar with formatting extract reports, then the report can be more useful.
 - c. You can also use Microsoft Excel to open the extract report and use the program’s “Text to Columns” functionality to separate the information



CDR Appeal Steps

1. While waiting for the loan servicer to respond with the student loan history information, you can start the appeal process through [eCDR](#).
2. Make sure that you have access to the system by asking your Destination Point Administrator (DPA) for assistance.
3. In addition, familiarize yourself with the IDC process by reviewing the Department of Education's [User Guide](#).
4. Once in eCDR, you would need to create a Profile (under Profile).
5. To begin a new case, click on "New Case" and select which type of challenge you would want to start (usually the Draft Cohort Default Rate appeal is an IDC appeal or Incorrect Data Challenge).
6. Once a new case has been submitted, it will take at least 48 hours for your LRDR (Loan Record Detail Report) to be extracted and loaded. During this time, the time you have left to submit an appeal will be frozen.
7. Once the LRDR has been uploaded, you can start opening new cases and attaching supporting documentation (from the student's loan servicer / NSLDS record).
8. Prepare a letter from your CEO / Chancellor.
9. Submit the appeal.

After the CDR Appeal

1. After submitting an IDC appeal, you must verify that the cases approved by the Data Managers will be reflected on the Official Cohort Default Rate report.
2. If the data on the Official Cohort Default Rate report does not reflect the corrections made through the IDC appeal, then you would need to submit a UDA (Uncorrected Data Adjustment) appeal.