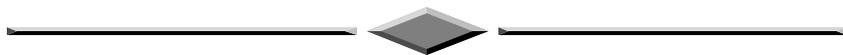


Loan Record Detail Report



What is a loan record detail report?

A loan record detail report, formerly referred to as backup data or BUD, 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 which were 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;
 - the loan status of those borrowers;
- AND
- the school's cohort default rate.

Which schools receive hardcopy draft loan record detail reports?

The U.S. Department of Education (Department) sends draft loan record detail reports in a hardcopy format to **all** postsecondary schools for which a draft cohort default rate is calculated.



It is important that schools maintain a copy of all loan record detail reports received from the Department. These reports will be useful if a school files an appeal at a later date.

Can a school request its draft loan record detail report in an electronic format?

Yes, if a school would like to receive its loan record detail report in an electronic format, it should refer to the "Electronic Loan Record Detail Reports" section beginning on page 63 for instructions on how to request the electronic report. **However, please note that the time frames to challenge the data in the report are based on the school's receipt of the hard copy 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 an erroneous data appeal based on **disputed data** if a school becomes subject to sanctions 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.¹

Q . If a school's draft cohort default rate is only 3.2 percent, may the school submit a draft data challenge?

A . Yes. All schools may submit a written challenge, including those schools whose cohort default rates are less than 25.0 percent. It is important to take advantage of this opportunity since this is the only time all schools may review and challenge the cohort default rate data.

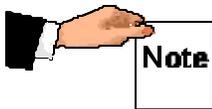
¹ 34 CFR Section 668.17(j)(3)(v), 64 Fed. Reg. 58974, 58981 (November 1, 1999) (Preamble to Final Rule)

What should a school review in its draft loan record detail report?

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

When checking for **inaccurate data**, a school should cross-reference 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 there is no incorrect data in the loan record detail report. The school should, for example, verify:

- that the loans included in the draft loan record detail report are **correctly reported** (e.g., verify that the dates entered repayment and default dates are correct);
- AND/OR
- that loans that should not have been included were **omitted** from the draft 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 within **45 calendar days²** of receiving its draft cohort default rate hardcopy loan record detail report.

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 numerically in "Appendix A1" and alphabetically in "Appendix A2". A school should submit a draft data challenge using the addresses listed in "Appendix A1".

Please refer to the section entitled "Draft Data Challenge" on page 86 for more information on submitting a draft data challenge.

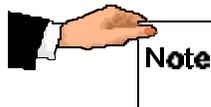
² 34 CFR 668.17(j)(3)(i), 64 Fed. Reg. 58974, 58981 (November 1, 1999) (Preamble to Final Rule)

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 cohort default rate data and official cohort default rate data be the same?

Not necessarily. Since NSLDS is regularly updated, a school's **draft** data might differ from its **official** data, even if a school does not challenge its draft cohort default rate.



If incorrect new data appears in a school's official cohort default rate calculation, the school may be eligible to challenge/appeal its official cohort default rate based on allegations of incorrect new data after the official cohort default rates are released.

Please refer to the "New Data Adjustment" and "Erroneous Data Appeal" sections in the *Official Cohort Default Rate Guide*, which will be mailed with a school's official cohort default rate, for additional information on appealing an official cohort default rate based on allegations of incorrect new data.

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 these reports 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 so 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 depth on the following pages. In addition, a full page sample of the loan record detail report is shown on page 61.

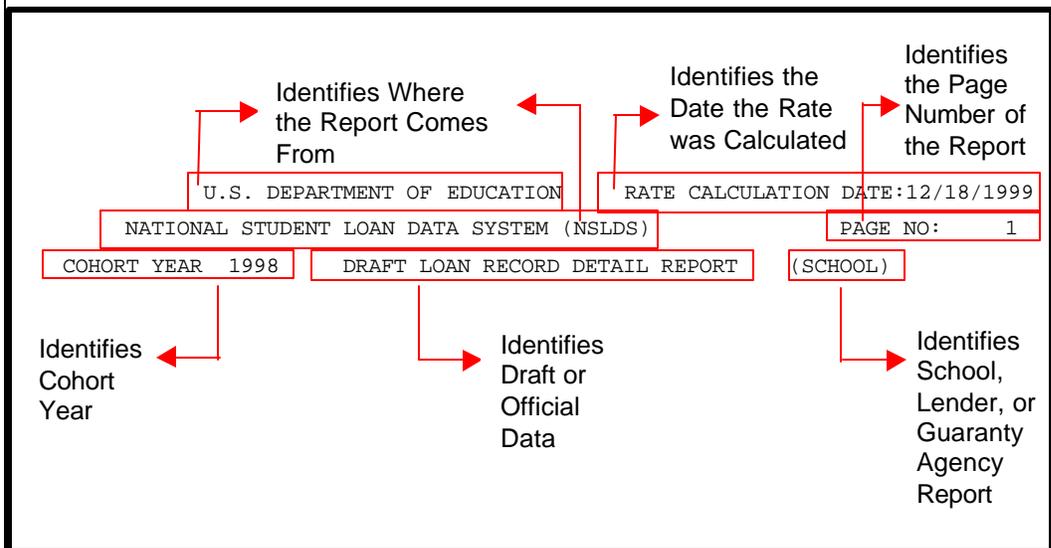
TITLE

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

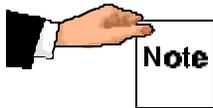
The second line of the title section identifies that the data on the loan record detail report is generated from the **National Student Loan Data System (NSLDS)**. It also identifies the **Page Number**.

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.

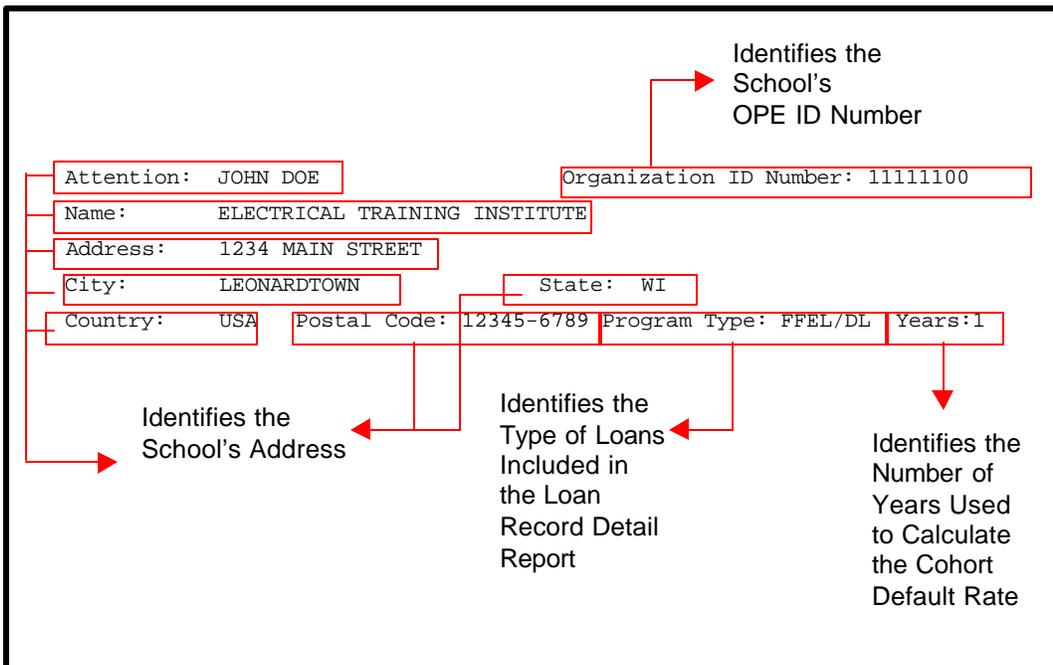


The title section on the first page of the loan record detail report also provides specific information about the school associated with the data contained in the report.

The fourth line of the title section on the first page of the 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.



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 61 for a composite representation of the title section of the loan record detail report.

BODY

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.

Header Representing
First Row of Data Elements

SSN	Last name	STUDENT	First/M.I.	D.O.B	Original School	Begin Date	CLASS End Date	Academic Level
LENDER/SERVICER/HOLDER Loan					Claim Rsn/ DEFAULT/		Guarantor/ Guaranty Enrollment Stat/ Usage	
Originating	Current	Type	Stat	Code	NegAm	Date	Repay Date	Amount
								1 2

Header Representing Second
Row of Data Elements

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.**

SSN	Last name	STUDENT	First/M.I.	D.O.B	Original School	Begin Date	CLASS End Date	Academic Level
LENDER/SERVICER/HOLDER Loan					Claim Rsn/ DEFAULT/		Guarantor/ Guaranty Enrollment Stat/ Usage	
Originating	Current	Type	Stat	Code	NegAm	Date	Repay Date	Amount
								1 2
0222-22-2222	SMITH		ALICE	10/21/1951	11111100	08/25/1996	05/11/1997	2
0101	555	D1	DU	IX	02/20/1999	10/01/1997	\$3,000	0101 09/30/1996 G 12/15/1998 B DB

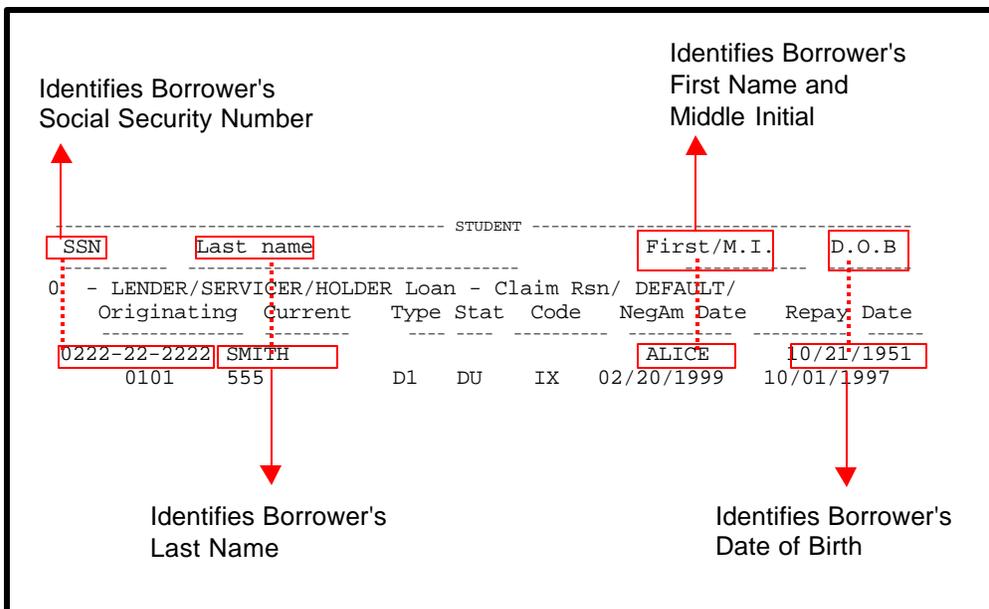
Second Row of Loan Data

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:

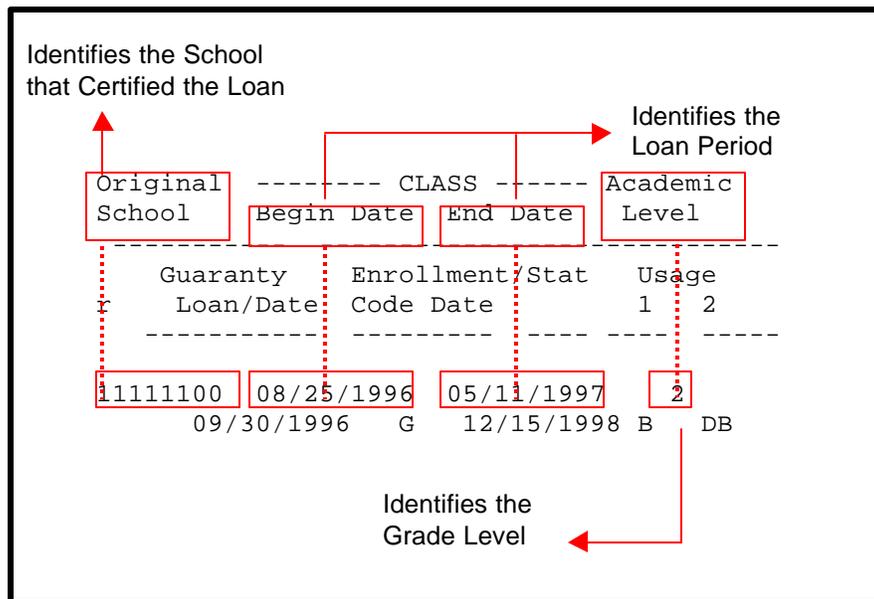
- **SSN** (Social Security Number);
 - **Last Name**;
 - **First/M.I.** (First Name and Middle Initial);
- AND
- **D.O.B.** (Date of Birth).



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.

Academic Level	
Code	Description
1	Freshman/First Year
2	Sophomore/Second Year
3	Junior/Third Year
4	Senior/Fourth Year
5	Fifth Year/Other
A	First Year Graduate/Professional
B	Second Year Graduate/Professional
C	Third Year Graduate/Professional
D	Beyond Third Year Graduate/Professional
G	Graduate/Professional
N	Not Available



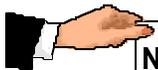
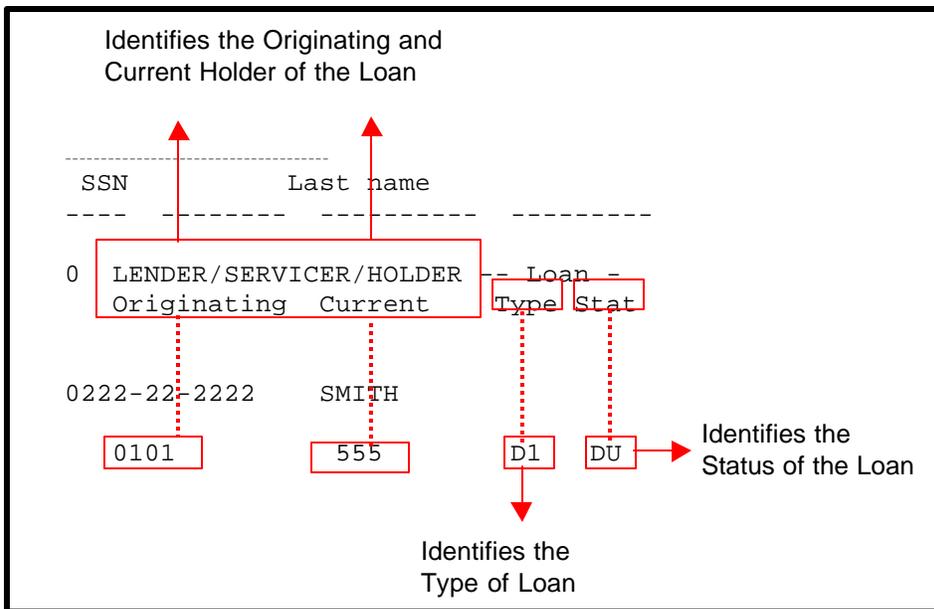
The second row of loan data contains 14 elements.

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

- the **Originating Lender/Service/Holder** which represents the entity that provided the loan to the borrower;
- the **Current Lender/Service/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

- the **Loan Stat**, which identifies the repayment/default status of the loan at the time the cohort default rate was calculated.



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 A1".

Loan Type Codes	
Code	Description
CL	FFEL Consolidated Loan
D1	Direct Loan Subsidized Stafford Loan
D2	Direct Loan Unsubsidized Stafford Loan
D4	Direct Loan PLUS Loan
D5	Direct Loan Consolidated Unsubsidized Stafford Loan
D6	Direct Loan Consolidated Subsidized Stafford Loan
D7	Direct Loan Consolidated PLUS Loan
PL	FFEL PLUS Loan
RF	FFEL Refinanced Loan
SF	FFEL Subsidized Stafford Loan
SL	FFEL Supplemental Loans for Students Loan
SU	FFEL Unsubsidized Stafford Loan

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

The next three elements in the second row of loan data identify:

- the **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;
- the **Default/NegAm Date**, which identifies the date a default claim was paid on an FFEL Program loan or for cohort default rate purposes the day a Direct Loan Program loan has 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;



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

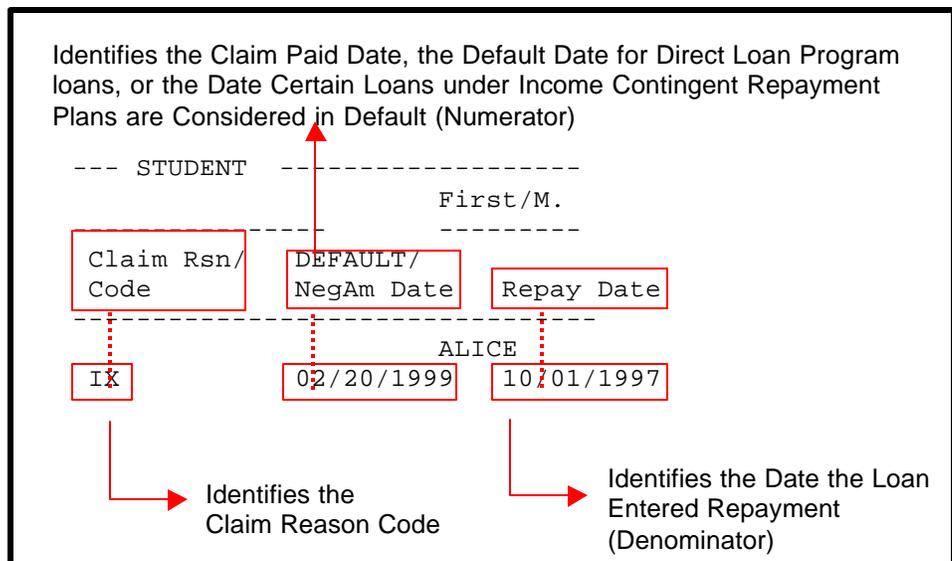
AND

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



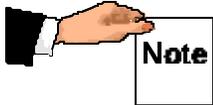
Note The Repay Date determines if a loan is included in the **denominator** of the cohort default rate calculation.

Claim Reason Codes	
Code	Status
BC	FFEL Bankruptcy, Chapter 13
BO	FFEL Bankruptcy, Other
CS	FFEL Closed School
DE	FFEL Death
DF	FFEL Default
DI	FFEL Disability
EX	FFEL Exempt
FC	FFEL False Certification
IN	Direct Loan, Income Contingent Negative Amortization for non-degree granting proprietary schools
IX	Direct Loan, Defaulted Loan



The next three elements in the second row of loan data identify:

- the **Amount**, which identifies the original amount of the loan;
- the **Guarantor/Service**, which identifies the entity that is responsible for responding to a school's inquiry about the status of the loan;



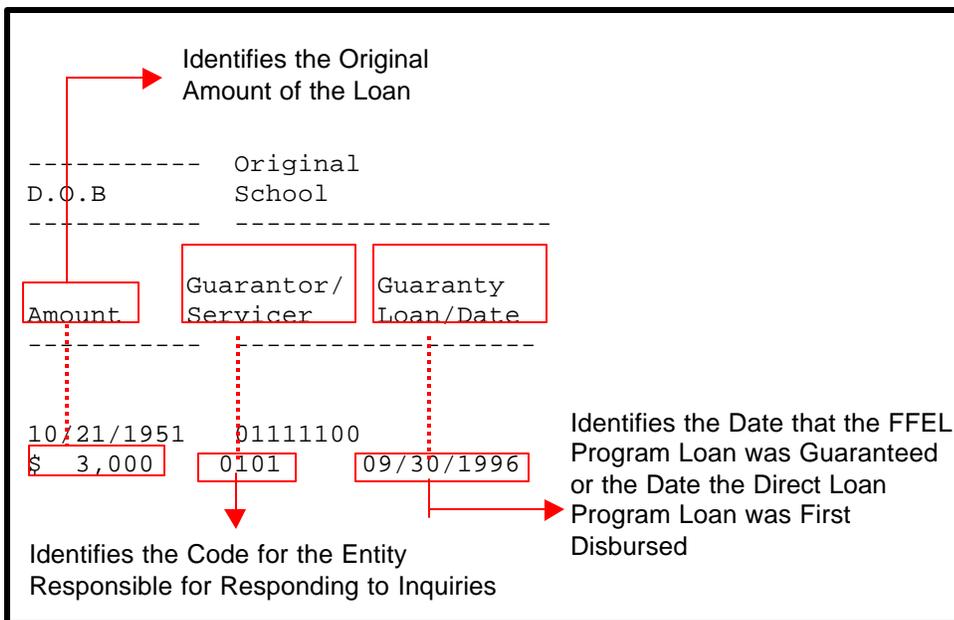
The entities responsible for responding to a school's inquiries are:

- 1) guaranty agencies;
- 2) the Department's Default Management Division;
AND
- 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 A1".

AND

- 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.



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

A . If the school is challenging the date the original loan entered repayment, it should address its 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 challenge to the entity identified by the guarantor/servicer code on the loan record detail report for the consolidated loan.

The same entity is not always responsible for both loans.

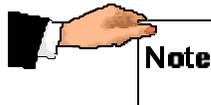
The final four elements in the second row of loan data identify:

Enrollment Status Code	
Code	Description
A	Approved leave of absence
D	Deceased
F	Full-time
G	Graduated
H	Half-time or more, but less than full time
L	Less than half-time
N	Not available
W	Withdrawn
X	Never attended
Z	No record found

Usage Code 1 Cohort Default Rate Usage	
Code	Description
D	Denominator only
B	Both Numerator and Denominator
N	Not Used
E	Eligible, but not counted

Usage Code 2 FFEL Program and/or Direct Loan Program Usage	
Code	Description
FD	FFEL Program Denominator only
FB	FFEL Program Numerator and Denominator
DD	Direct Loan Program Denominator only
DB	Direct Loan Program Numerator and Denominator
IC	Direct Loan Program NegAm/ICR Numerator and Denominator
N	Not Used (FFEL Program and/or Direct Loan Program)
E	Eligible, but not counted (FFEL Program and/or Direct Loan Program)

- 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;

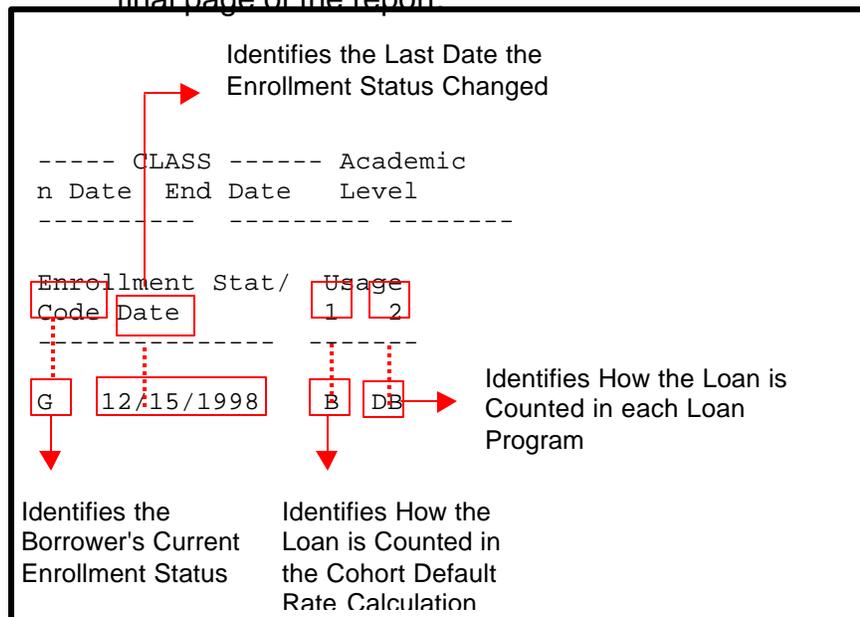


The enrollment status code and date do not necessarily reflect the borrower's enrollment at the school reported on the loan record detail report. The enrollment status code and date may reflect subsequent enrollment by the borrower at a different school.

- 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 61 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.

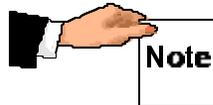
The second line of the summary provides the **Total Dollars in Repayment**. The FFEL Program and Direct Loan Program entries within this field indicate the total dollar volume for loans that have entered repayment during the cohort period in question. The Dual Program entry represents the dollars in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

	Identifies the Individual Program Titles		
	FFEL	DIRECT	DUAL
Identifies the Total Dollars in Default Including Accruing Interest			
TOTAL DOLLARS IN DEFAULT:	7,900	5,500	12,500
TOTAL DOLLARS IN REPAYMENT:	28,400	11,365	31,365
Identifies the Total Amount of the Claims Paid			
TOTAL INSURANCE CLAIM PAYMENTS:	6,000		
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.

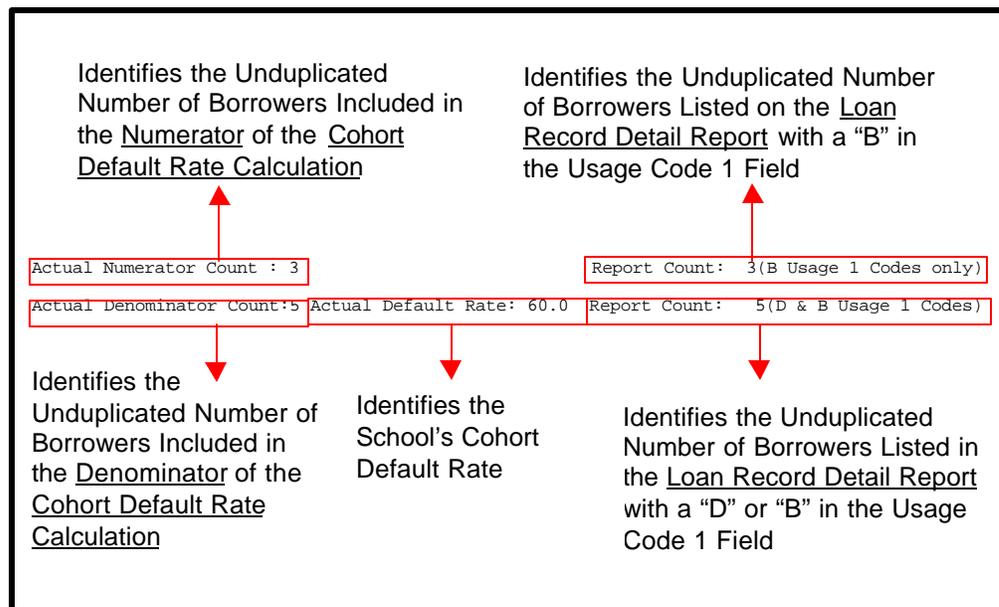
The fifth line of the summary also provides the **Actual Default Rate**. The Actual Default Rate is, in most cases, the school's cohort default rate. However, if a school has 29 or fewer borrowers entering repayment in the cohort period in question or if the school has a combined, substituted, or merged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

Q . How does a school determine what its cohort default rate is if the school has 29 or fewer borrowers entering repayment?

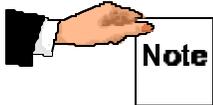
A . For details on how to calculate a school's average cohort default rate, please refer to the "Cohort Default Rates" section on page 14. A school will need its FY 1996, FY 1997, and FY 1998 actual cohort default rates to determine its FY 1998 average cohort default rate.

Q . How does a school determine what its cohort default rate is if the school has a combined, substituted, or merged cohort default rate?

A . A school should refer to its **official** cohort default rate notification letter for details regarding its combined, substituted, and/or merged cohort default rate.



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 loans identified with each loan program and the number of those loans 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.

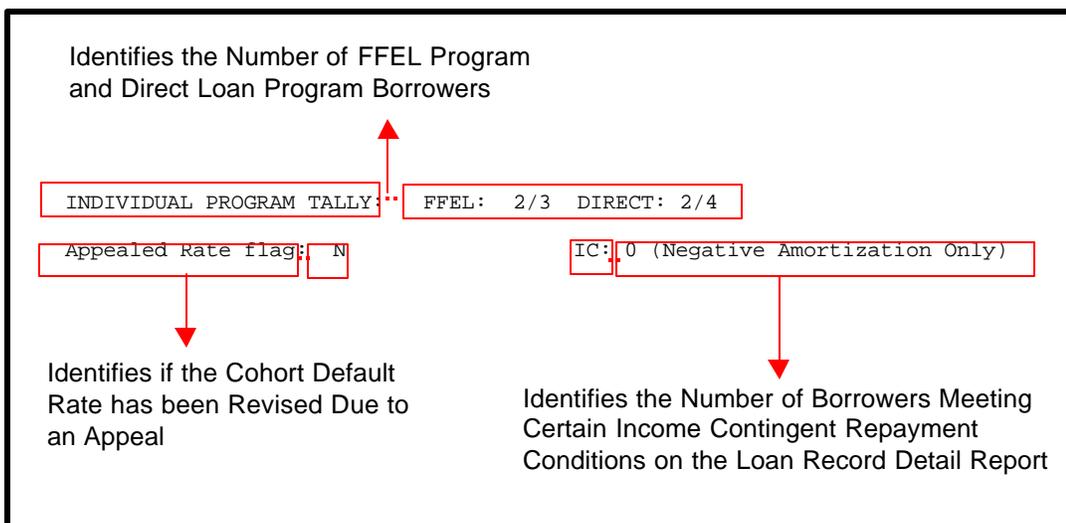


A school does not select whether it has an FFEL Program cohort default rate or a Direct Loan Program cohort rate. The rate is based on **all** of the loans that enter repayment in a given cohort period.

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 period in question, 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	
Code	Description
D	Direct – School altered cohort default rate due to its own appeal
I	Indirect – School cohort default rate altered due to an appeal filed by a different school in a combination/substitution/merger
N	No appeal – School cohort default rate not altered by an appeal
U	Unknown – Appeal status unknown for cohort default rate prior to FY 1993



Please refer to page 61 for a composite representation of the summary section of the loan record detail report.

Sample Loan Record Detail Report

Title

Body Data Element Headers

U.S. DEPARTMENT OF EDUCATION
 NATIONAL STUDENT LOAN DATA SYSTEM (NSLDS)
 COHORT YEAR 1998 DRAFT LOAN RECORD DETAIL REPORT (SCHOOL)

Attention: JOHN DOE
 Name: ELECTRICAL TRAINING INSTITUTE
 Address: 1234 MAIN STREET
 City: LEONARDTOWN
 Country: USA

State: WI
 Postal Code: 12345-6789

Organization ID Number: 111111100

Program Type: FFEL/DL
 Original School: Academic

Years: 1

Rate Calculation Date: 12/18/1999
 Page No: 1

SSN Last name

0 - LENDER/SERVICER/HOLDER- Loan - Claim Rsn/ DEFAULT/
 Originating Current Type Stat Code NegAm Date Repay Date Amount Guarantor/ Servicer Loan/Date Enrollment Stat/ Usage

0222-22-2222 SMITH ALICE 10/21/1951 11111100 08/25/1996 05/11/1997 2
 0101 555 10/01/1997 \$ 3,000 0101 09/30/1996 G 12/15/1998 B DB
 0333-33-3333 BAKER EMILY 10/21/1977 11111100 08/25/1997 05/11/1998 1
 8000040000 8000040000 SF RP 00/00/0000 05/16/1998 \$ 2,625 111 08/25/1997 Z 01/01/1900 D FD

FFEL DIRECT DUAL

TOTAL DOLLARS IN DEFAULT : 7,900 5,500 12,500 (Based on Outstanding Principal Balance)

TOTAL DOLLARS IN REPAYMENT : 28,400 11,365 31,365 (Based on Outstanding Principal Balance)

TOTAL INSURANCE CLAIM PAYMENTS: 6,000

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

Actual Denominator Count: 5 Actual Default Rate: 60.0 Report Count : 5(D & B Usage 1 Codes)

INDIVIDUAL PROGRAM TALLY: FFEL: 2/3 DIRECT: 2/4

Appealed Rate flag: N IC: 0 (Negative Amortization Only)

End of Loan Record Detail Report

Body Data Elements

Summary

