Default Prevention: You Are The Key!

August 1, 2002

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Cohort Default Rates – A Path to Successful Data Management

Tammy Gay

Direct Loan School Relations Office

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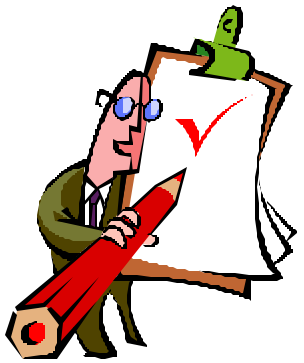
Objectives



At the end of this session, you will be able to:

- Discuss implications of inaccurate CDR data
- Discuss the CDR calculation
- Describe a path to successful CDR data management
- Identify new CDR initiatives
- Identify CDR resources

CDR = Cohort Default Rate

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Data Management and CDRs Why Are They Important?

- Administrative capability –requirements for Title IV participation (34 CFR 668.16)
- Better-quality decision-making at federal, state and local levels
- Better customer service

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Customer Service

- Students are affected by a school's processes and data management
  - Case 1
  - Case 2

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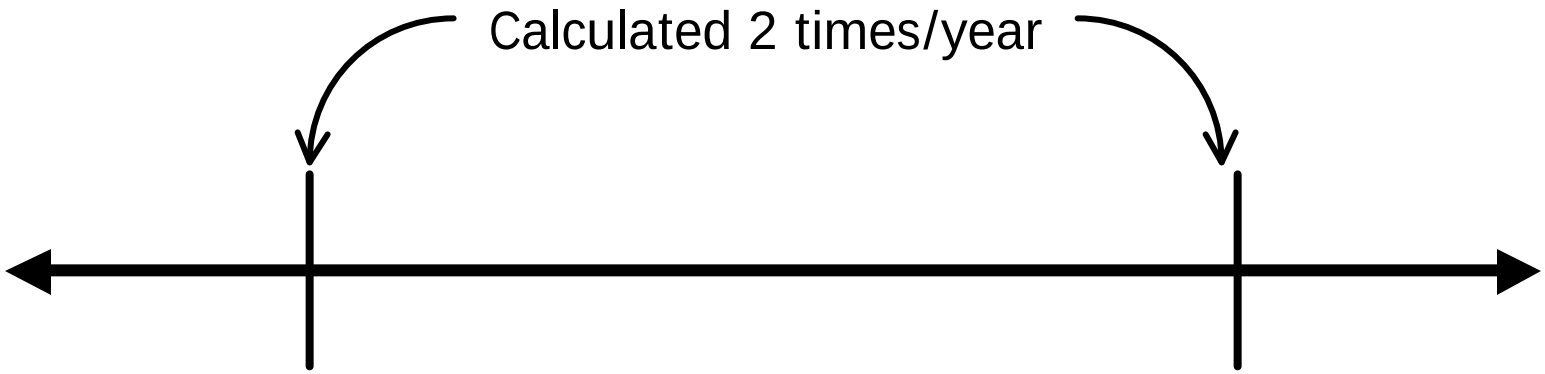
Quick CDR review



- Not public
- No sanctions
- No benefits

- Public
- Sanctions
- Benefits

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Quick CDR review (continued)

FFEL & Direct Loans

↓

Loan data for CDR calculation stored in NSLDS

↓

Formula	For FY 2000
$\frac{N}{D}$ = $\frac{\text{Default during 2 year period}}{\text{Enter repayment during 1 year period}}$	$\frac{\text{10/1/1999 – 9/30/2001}}{\text{10/1/1999 – 9/30/2000}}$

↓

$\frac{N}{D}$ X 100% = CDR and LRDR

LRDR = Loan Record Detail Report

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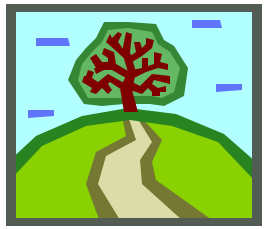
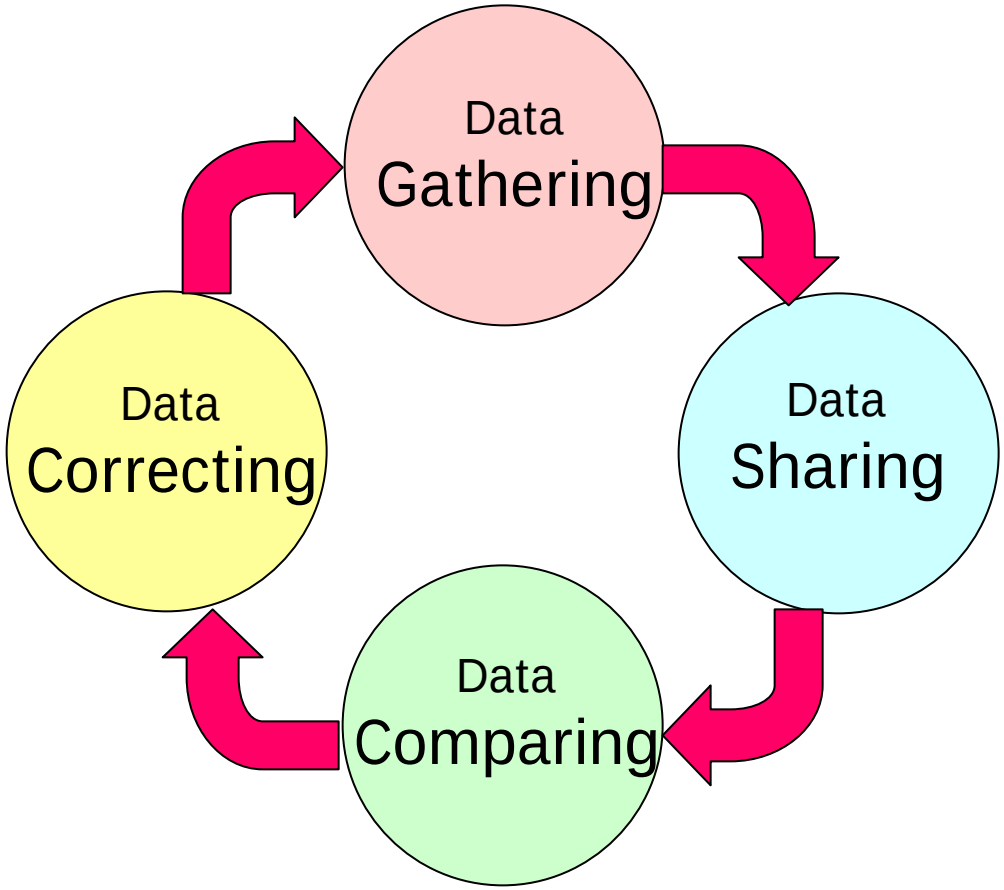
A Path to Successful Data Management





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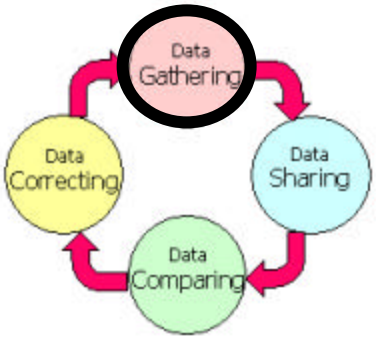
Data Gathering



- Determine CDR data to be captured
- Establish a data gathering process up front
- Establish a communication network with key players and responsibilities

Type: School Records Spreadsheet

Borrower's SSN	Borrower's Name	Type of loan	Loan Period	Loan Status	Enrollment Status Code	Enrollment Status Date	LDA or LTH	Date Entered Repayment	Default/ CPD Date	Claim Reason Code

Date __/__/__

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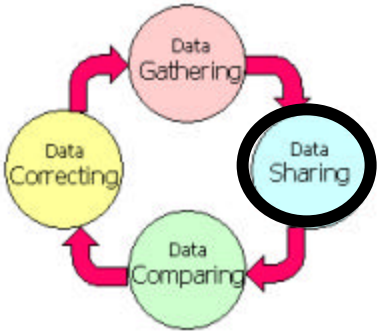
Data Sharing



School's internal data systems

NSLDS Repayment *(old and new)*

Report the Data:
- Change in enrollment status
- Canceled loans
- Student delinquency status
- Student transfers
- Cured loans

NSLDS Enrollment Reporting *(old SSCR)*

GA, lender, servicer reports

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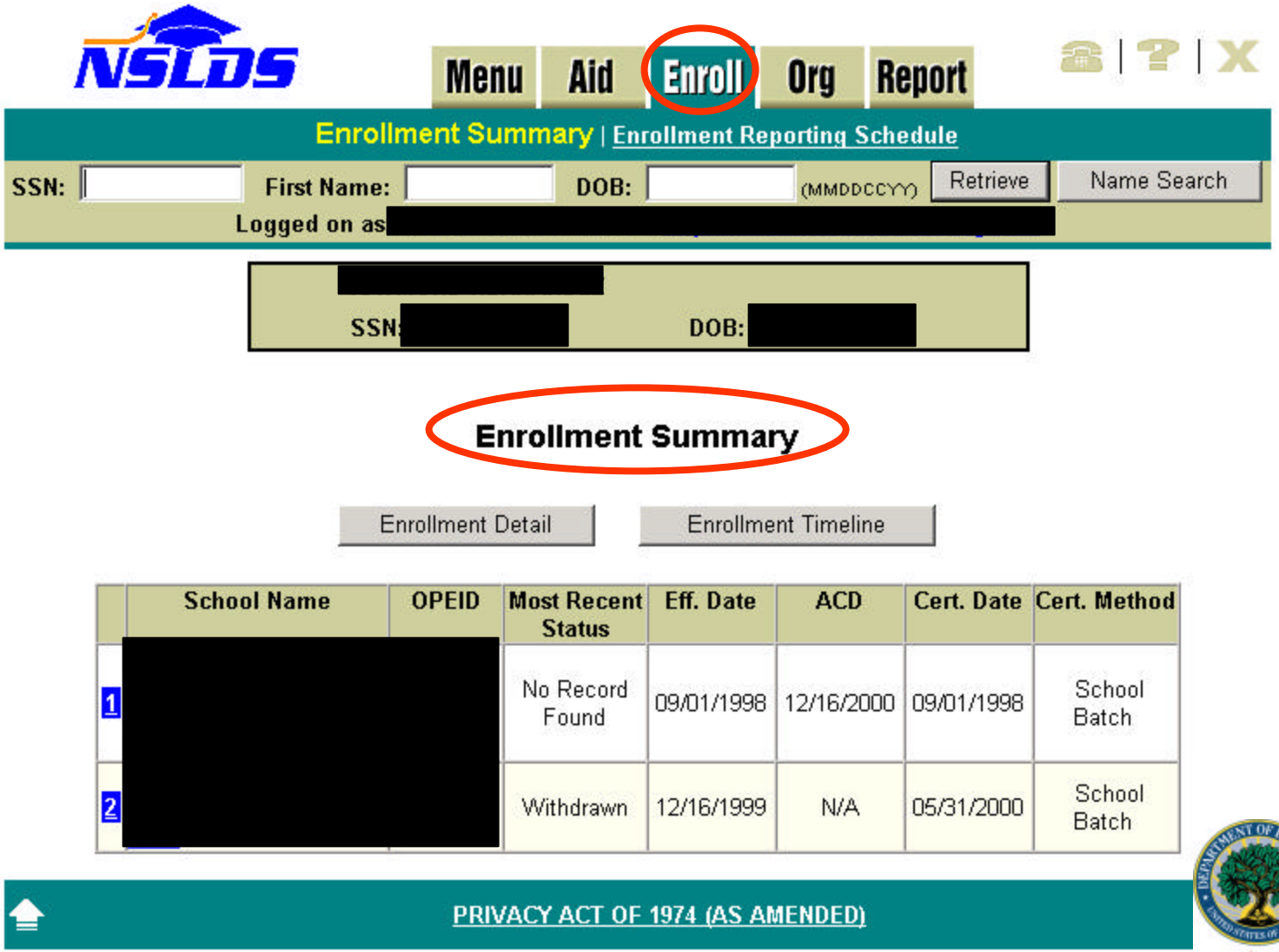
NSLDS Web-Based Enrollment Reporting



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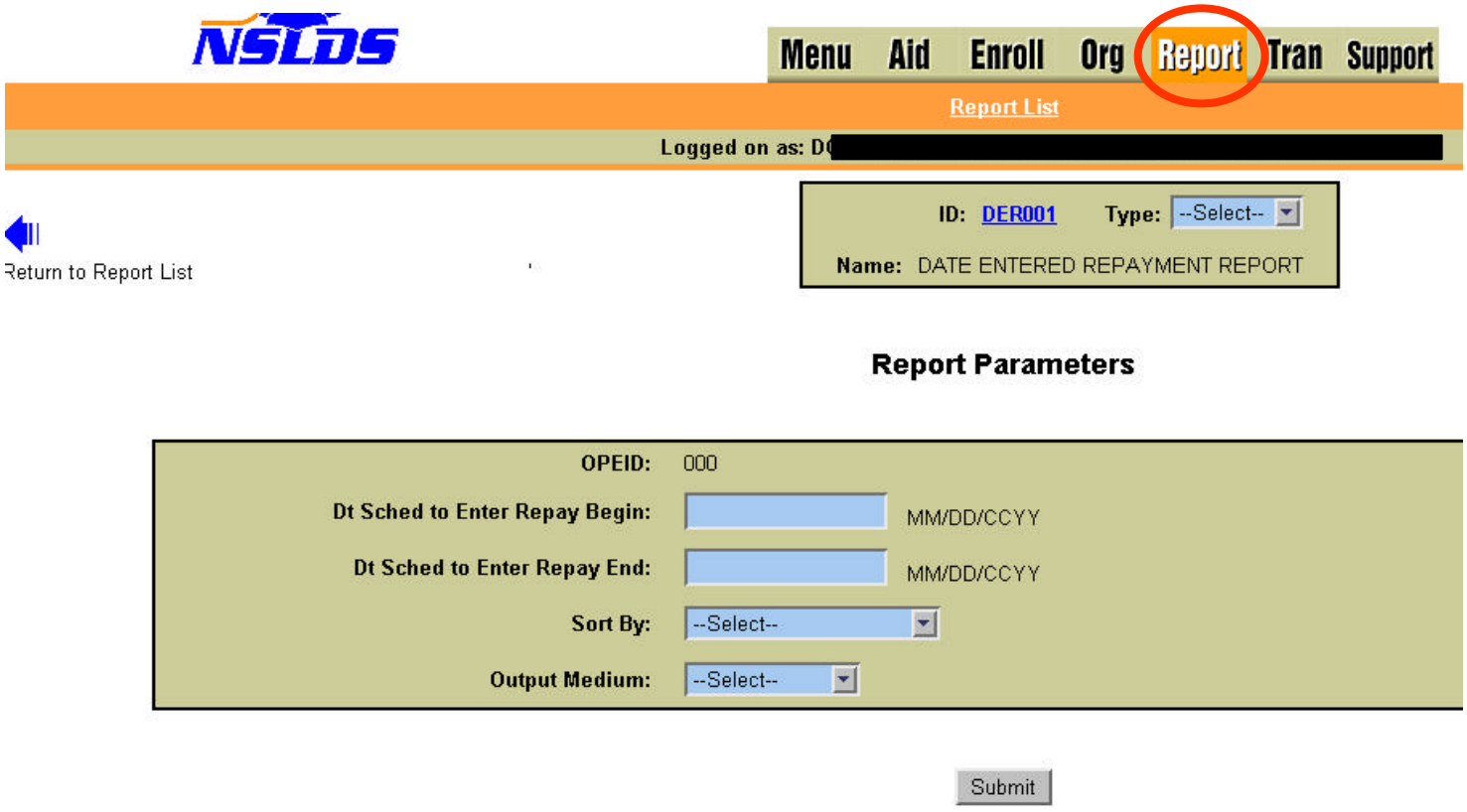
NSLDS Date Entered Repayment (DER) Report

New!



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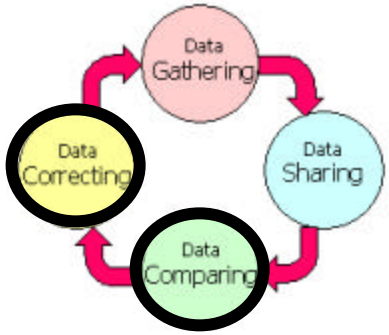
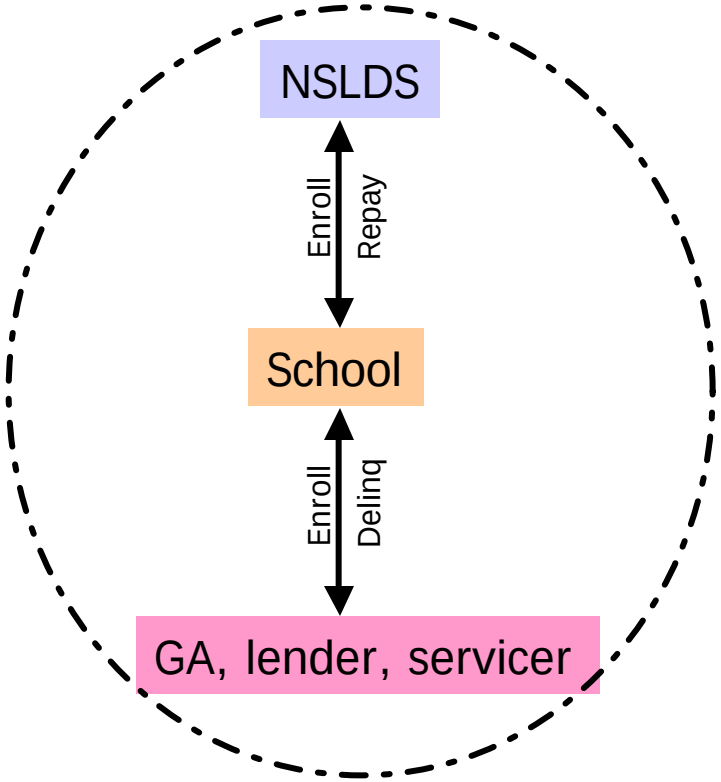
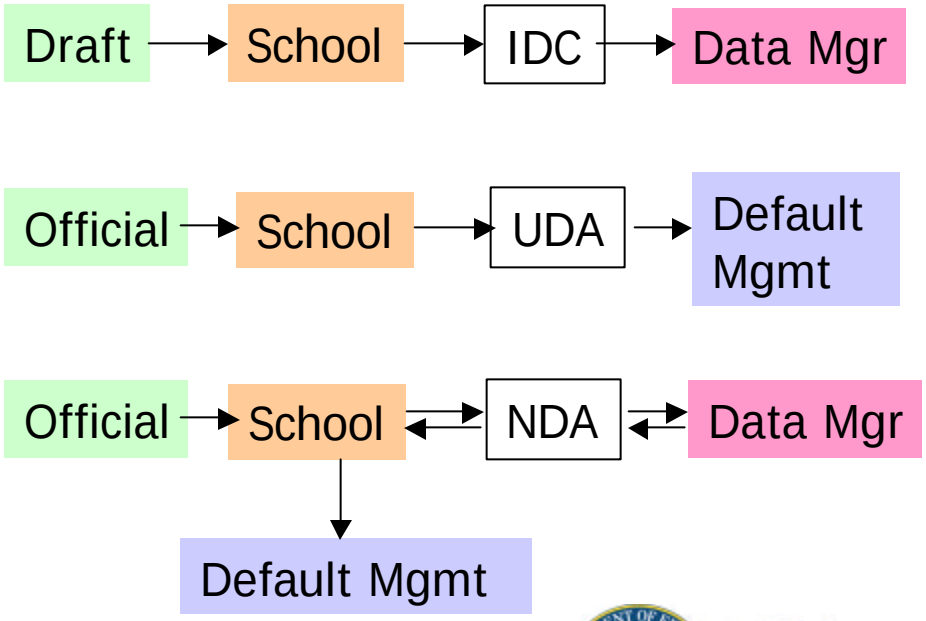
Data Comparing and Correcting



Informational Data



Calculated Data (CDRs)



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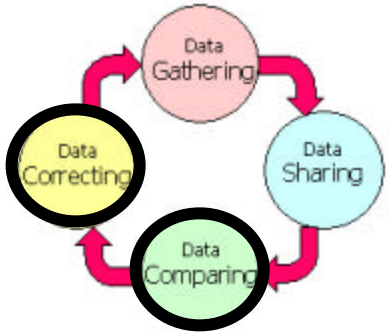
Data Comparing and Correcting



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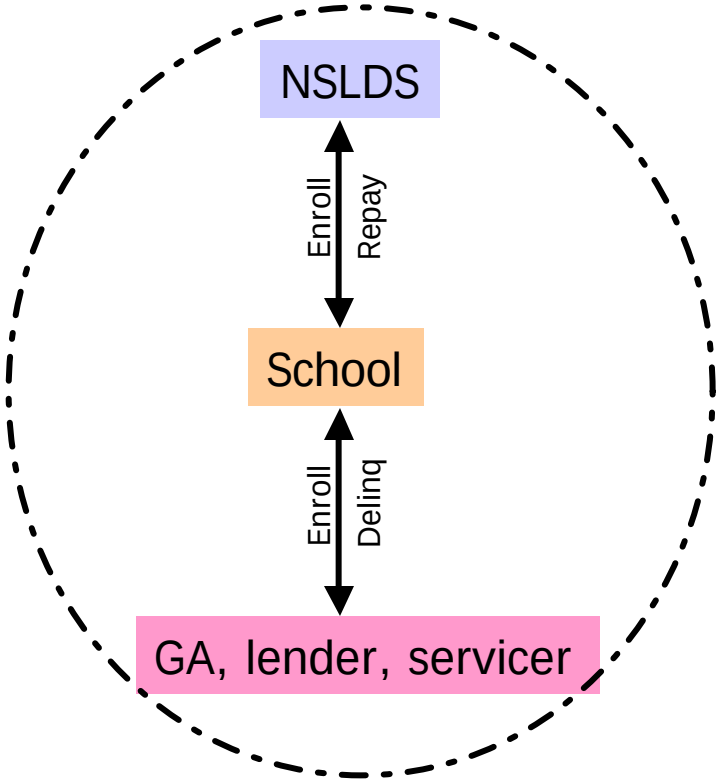
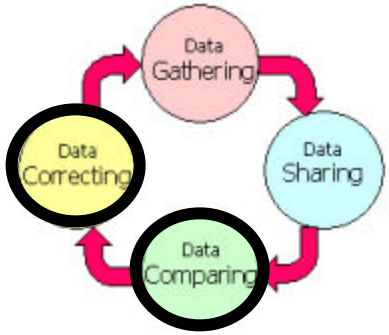


Calculated Data (CDRs)

Data Comparing and Correcting



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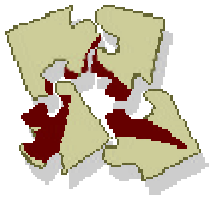

IDC= Incorrect Data Challenge
UDA = Uncorrected Data Adjustment
NDA = New Data Adjustment

Calculated Data (CDRs)

Draft → School → IDC → Data Mgr

Official → School → UDA → Default Mgmt

Official → School ⇄ NDA ⇄ Data Mgr

School → Default Mgmt

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eCDR

- Customer service
- Easier to manipulate and sort data
- Requirement - Paperwork Reduction Act
- Save taxpayer's money
- Saves the environment

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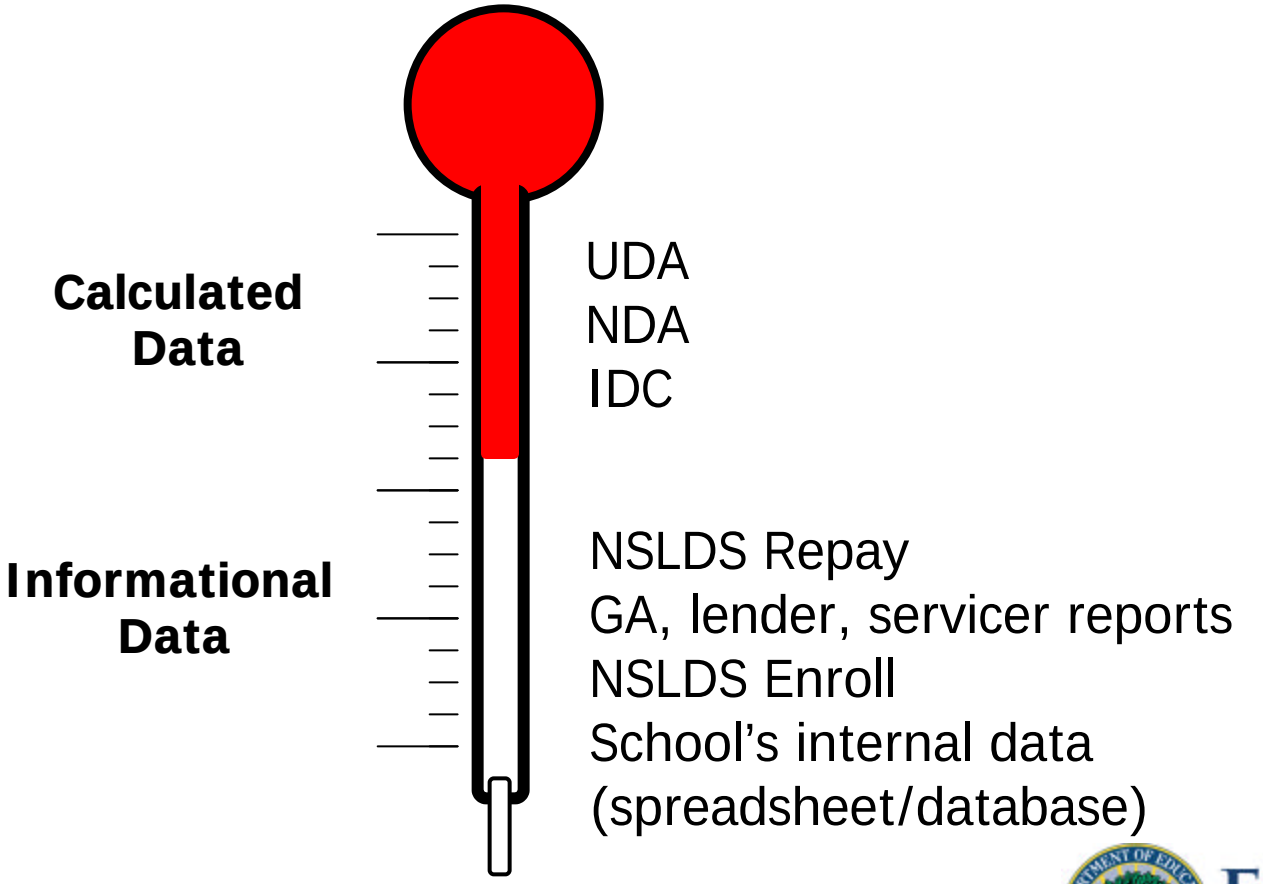
Impact of changing data - institutional and situational

More extensive process to change data
More time and effort



Less extensive process to change data
Less time and effort

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CDR Resources

- Web http://www.ed.gov/offices/OSFAP/defaultmanagement/cdr.html
- Guide http://ifap.ed.gov/drmaterials/FinalCDRG.html *and* http://ifap.ed.gov/drmaterials/changelog.html
- Default Management Contact info
  - Email fsa.schools.default.management@ed.gov
  - Phone 202-377-4258
  - Mail 400 Maryland Ave, SW; Washington, DC 20202-5353
  - Commercial delivery 830 First St, NE; Washington, DC 20002-5353
- Regulations 34 CFR 668.181-668.198, App A & B to Subpart M of Part 668
- Handbook 2001-2002 pages 2-56, 2-81, 2-82, 8-5, 8-6, 8-36
- Partner Letters http://ifap.ed.gov/dpcletters/gen0108.html *and* http://198.77.163.160/eannouncements/0119stuhbkbestprectice.html

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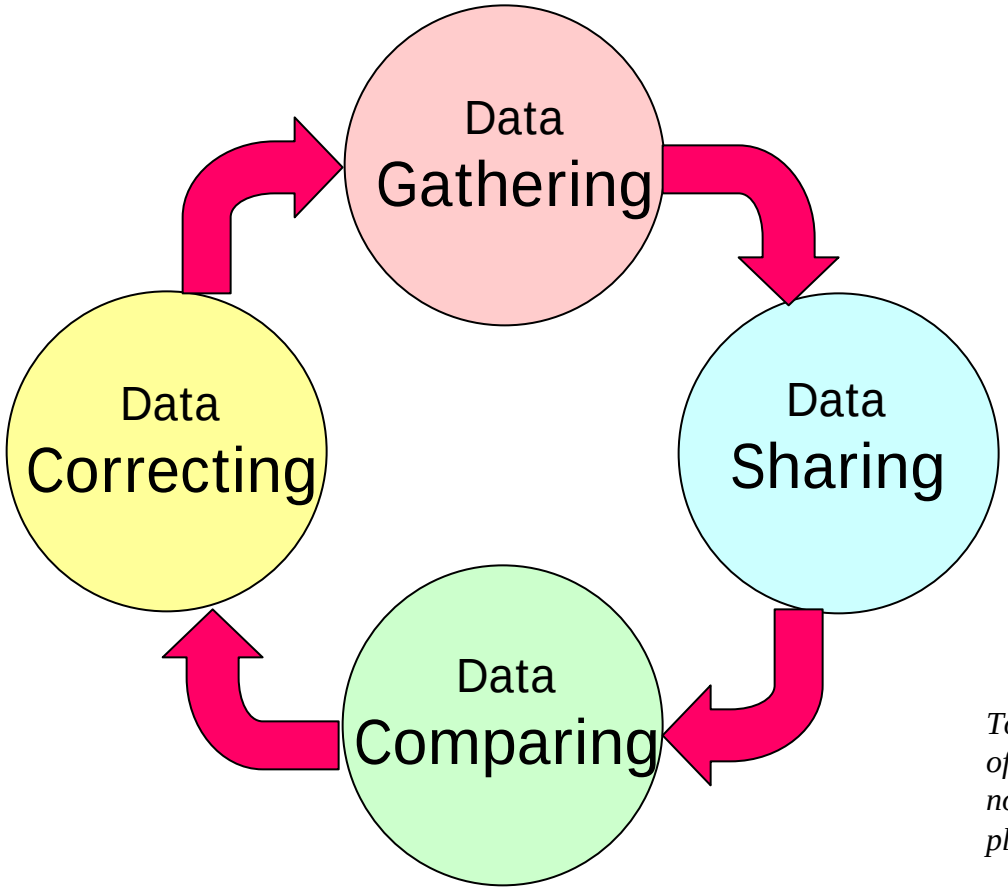
Other Resources

- U.S. Department of Education (main #)
- Schools Portal and IFAP
- Customer Service Call Center
- Default Collections
- Partner Services and Portal
- Students Portal
- NSLDS
- CPS/WAN Technical Support
- Case Management
- Direct Loan Schools Relations
- PEPS
- Campus Based Call Center

All of the contact information for these resources are found in Chapter 2.5 of the "CDR Guide," and the change page website listed on the previous slide

Conclusion



To obtain an electronic copy of this presentation and the notes associated with it, please visit www.ifap.ed.gov

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Abbreviations

Abbreviation	Description
App	Appendix
CDR	Cohort Default Rate
CFR	Code of Federal Regulations
CPS/WAN	Central Processing System/Wide Area Network (resource)
Data Mgr	Data Manager (guaranty agencies and the Direct Loan servicer)
Def Mgmt	U.S. Department of Education, Default Management
Delinq	Delinquency reports from the guaranty agency
DL	(William D. Ford Federal) Direct Loan (Program)
Draft	Draft cohort default rates
ECDR	Electronic Cohort Default Rate
eLRDR	Electronic Loan Record Detail Report
Enroll	Enrollment tab in NSLDS
FFEL	Federal Family Education Loan (Program)
FY	Fiscal year
GA	Guaranty Agency
IDC	Incorrect Data Challenge
IFAP	Information for Financial Aid Professionals (website)
LDA	Last date of attendance
LRDR	Loan Record Detail Report
LTH	Less than half time
NDA	New Data Adjustment
NSLDS	National Student Loan Data System
Official	Official cohort default rates
Org	Organization tab in NSLDS
PEPS	Postsecondary Education Participation System (database)
Repay	Repayment information found under the Org tab in NSLDS
SAIG	Student Aid Internet Gateway
SSCR	Student Status Confirmation Report
UDA	Uncorrected Data Adjustment
Yr	Year