# Default Prevention: You Are The Key!

## August 1, 2002

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# *Cohort Default Rates – A Path to Successful Data Management*

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**Seattle Case Management Team**

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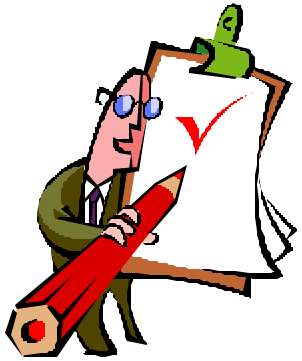
# Objectives



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*

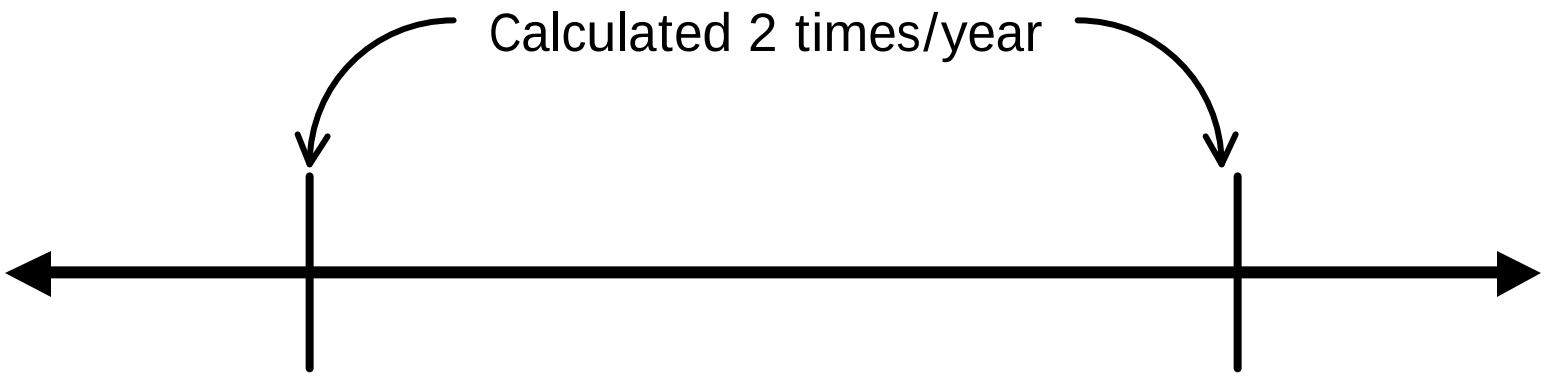
# Data Management and CDRs Why Are They Important?

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

# Customer Service

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

# Quick CDR review




Draft CDR
February

Official CDR
September

- Not public
- No sanctions
- No benefits

- Public
- Sanctions
- Benefits

# Quick CDR review (continued)

FFEL & Direct Loans

↓

Loan data for CDR calculation stored in NSLDS

↓

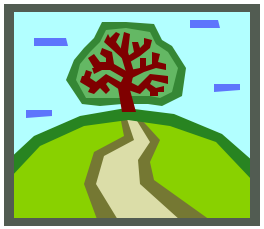
| Formula | For FY 2000 |
|---|---|
| $\frac{N}{D}$ = $\frac{\text{Default during 2 year period}}{\text{Enter repayment during 1 year period}}$ | $\frac{\text{10/1/1999 – 9/30/2001}}{\text{10/1/1999 – 9/30/2000}}$ |

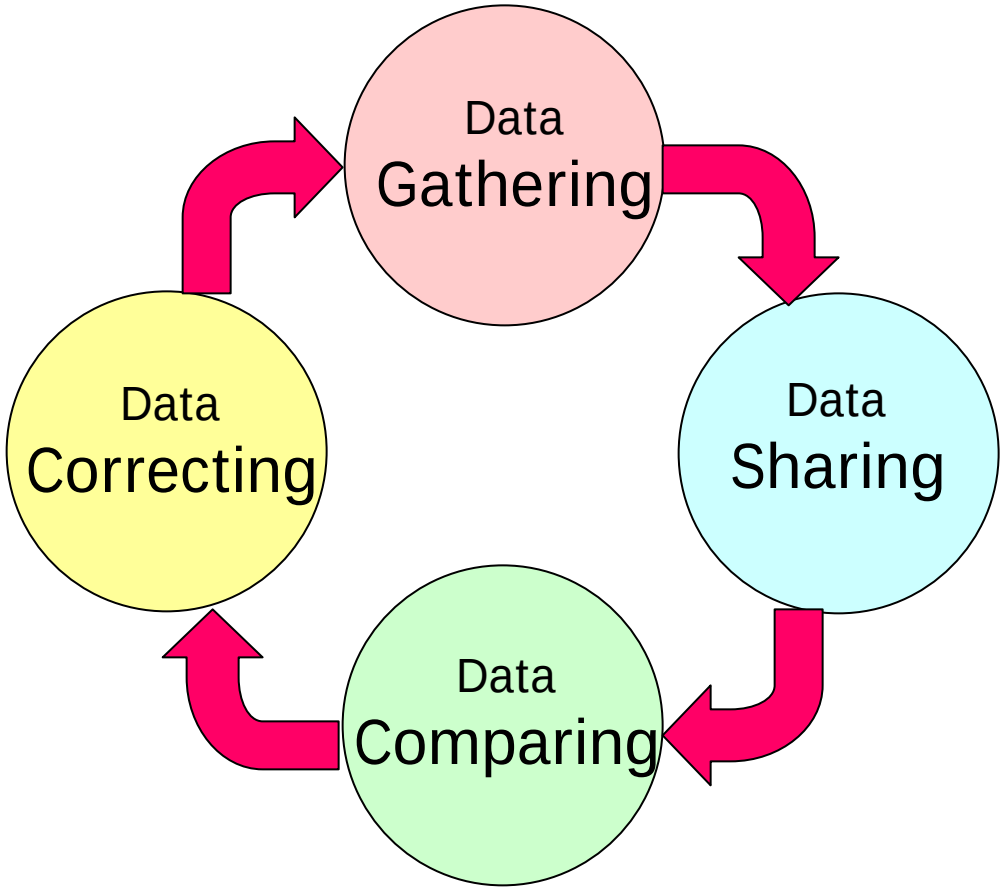
↓

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

*LRDR = Loan Record Detail Report*

# A Path to Successful Data Management



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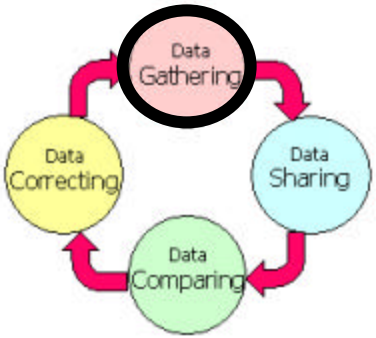
# Data Gathering




- 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 |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | | | |
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Date __/__/__

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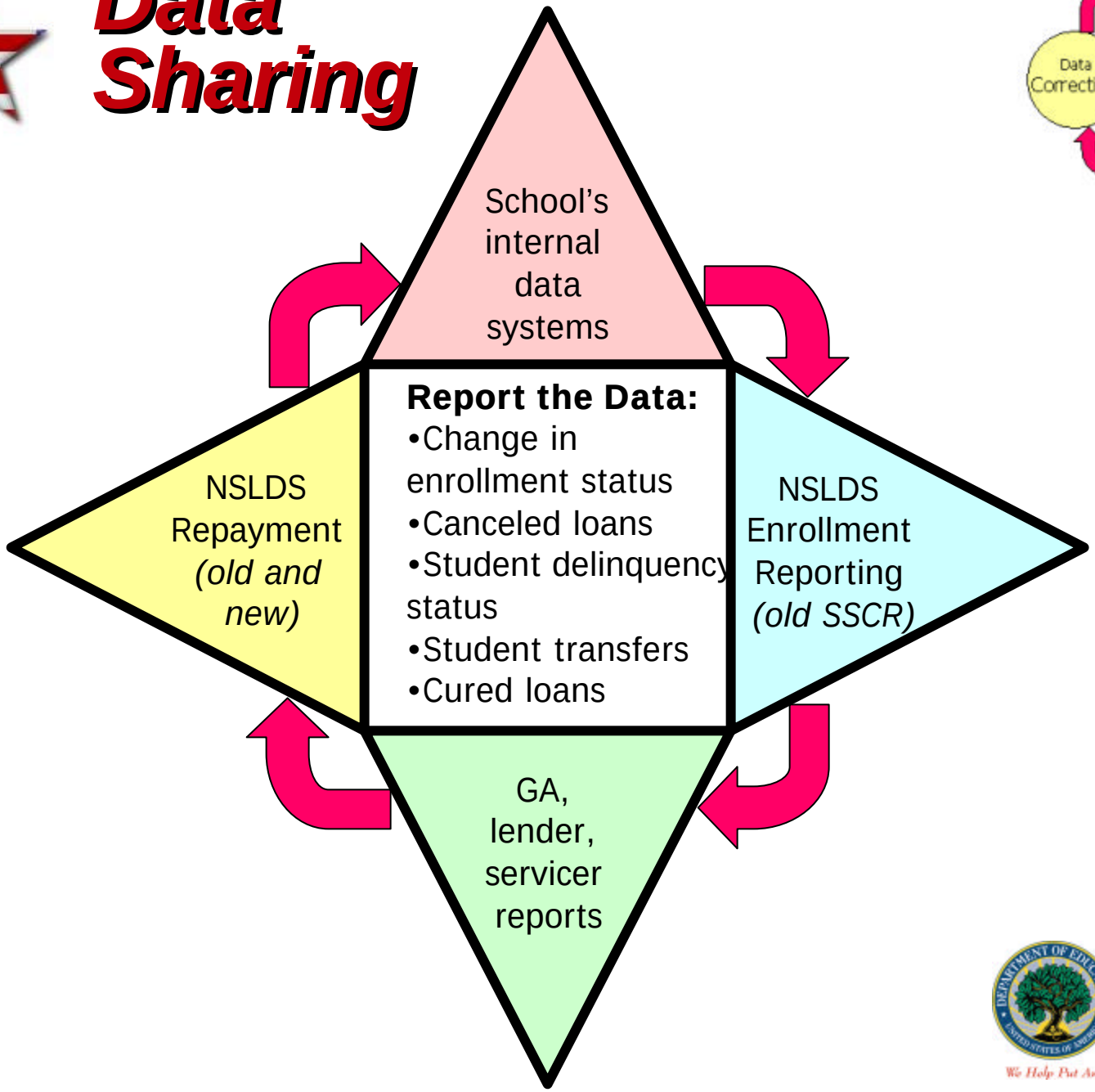
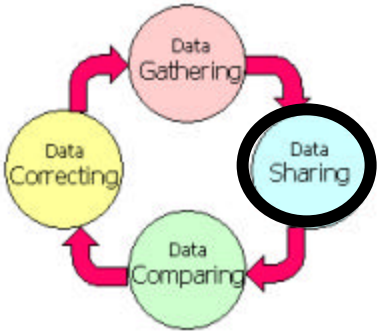
# Data Sharing

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# NSLDS Web-Based Enrollment Reporting

NSLDS

Menu | Aid | Enroll | Org | Report

Enrollment Summary | Enrollment Reporting Schedule

SSN: First Name: DOB: (MMDDCCYY) Retrieve Name Search

Logged on as [redacted]

[redacted]

SSN: [redacted] DOB: [redacted]

**Enrollment Summary**

Enrollment Detail | Enrollment Timeline

| | School Name | OPEID | Most Recent Status | Eff. Date | ACD | Cert. Date | Cert. Method |
|---|---|---|---|---|---|---|---|
| 1 | [redacted] | | No Record Found | 09/01/1998 | 12/16/2000 | 09/01/1998 | School Batch |
| 2 | [redacted] | | Withdrawn | 12/16/1999 | N/A | 05/31/2000 | School Batch |

PRIVACY ACT OF 1974 (AS AMENDED)

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# NSLDS Date Entered Repayment (DER) Report

New!

NSLDS

Menu Aid Enroll Org Report Tran Support

Report List

Logged on as: D[redacted]

Return to Report List

ID: DER001 Type: --Select--

Name: DATE ENTERED REPAYMENT REPORT

**Report Parameters**

| | |
|---|---|
| OPEID: | 000 |
| Dt Sched to Enter Repay Begin: | MM/DD/CCYY |
| Dt Sched to Enter Repay End: | MM/DD/CCYY |
| Sort By: | --Select-- |
| Output Medium: | --Select-- |

Submit

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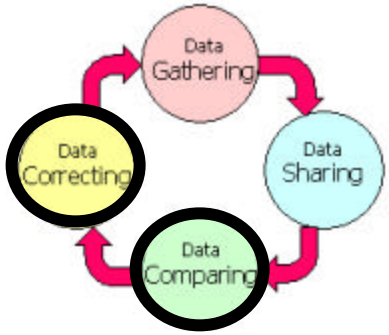
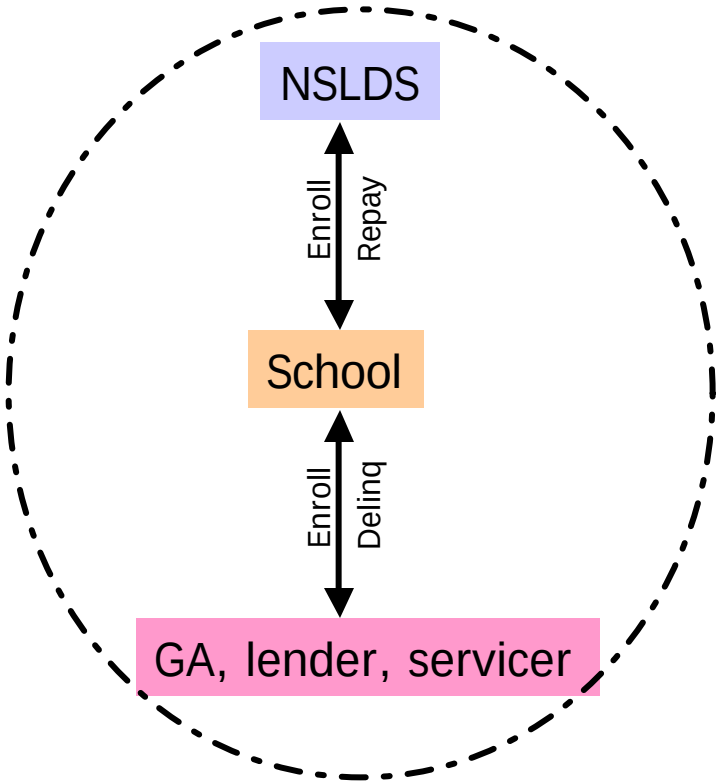
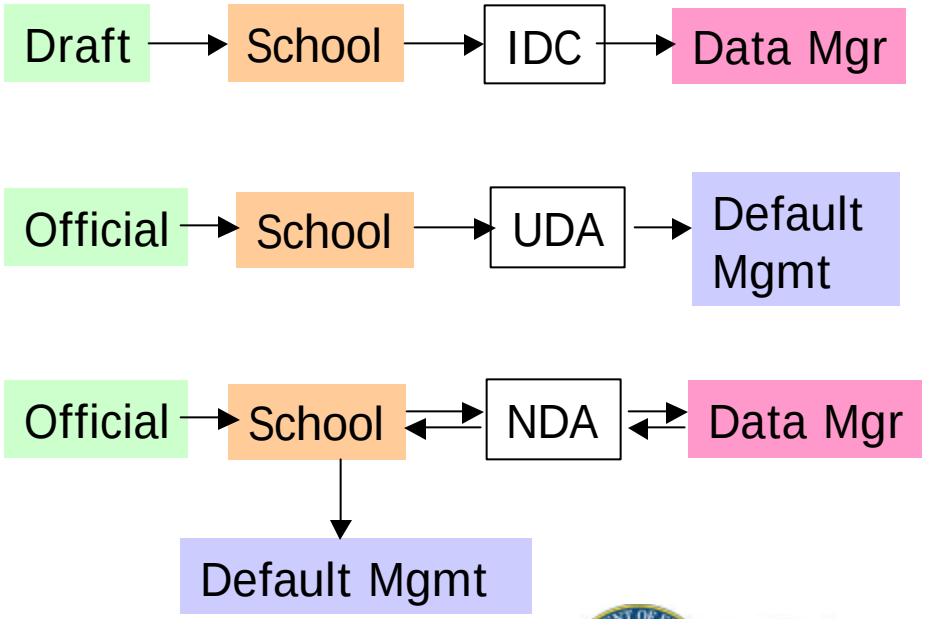
# Data Comparing and Correcting




## Informational Data




## Calculated Data (CDRs)



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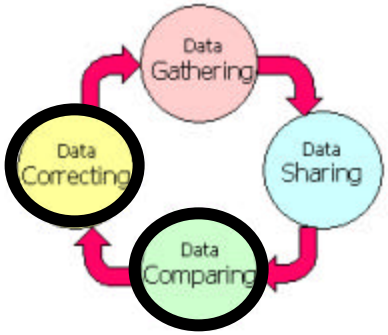


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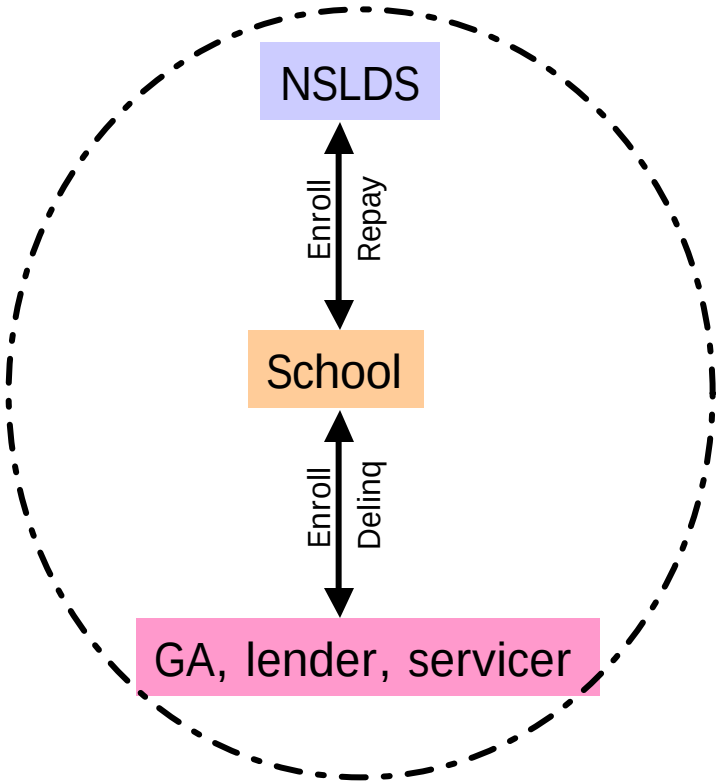


## Calculated Data (CDRs)

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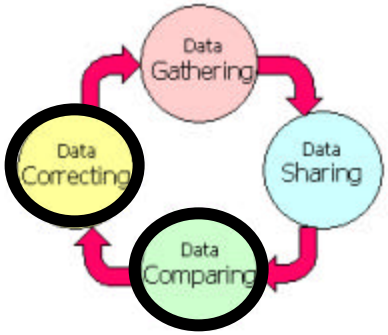
# Data Comparing and Correcting

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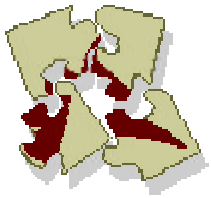
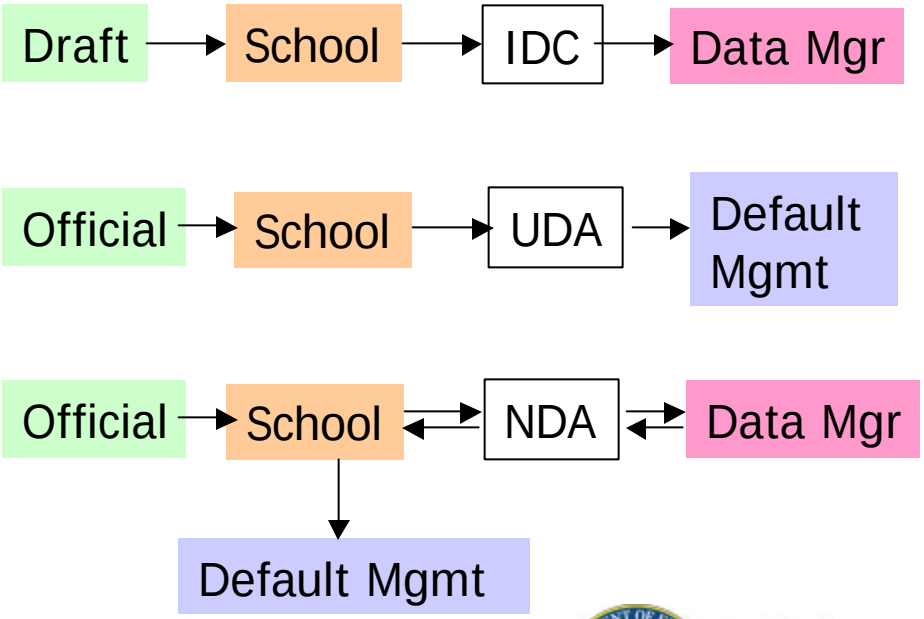


*IDC= Incorrect Data Challenge*
*UDA = Uncorrected Data Adjustment*
*NDA = New Data Adjustment*

## Calculated Data (CDRs)

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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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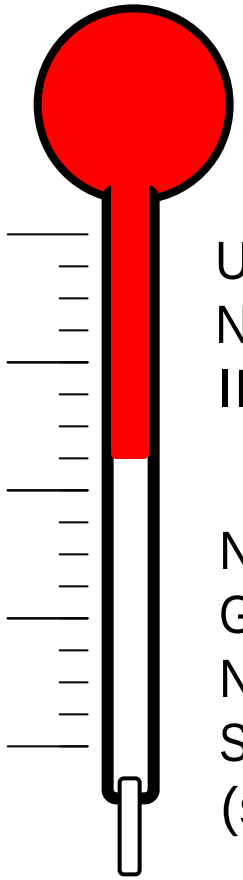
# Impact of changing data - institutional and situational

*More extensive process to change data*
*More time and effort*



**Calculated Data**

UDA
NDA
IDC

**Informational Data**

NSLDS Repay
GA, lender, servicer reports
NSLDS Enroll
School's internal data (spreadsheet/database)

*Less extensive process to change data*
*Less time and effort*

# 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*

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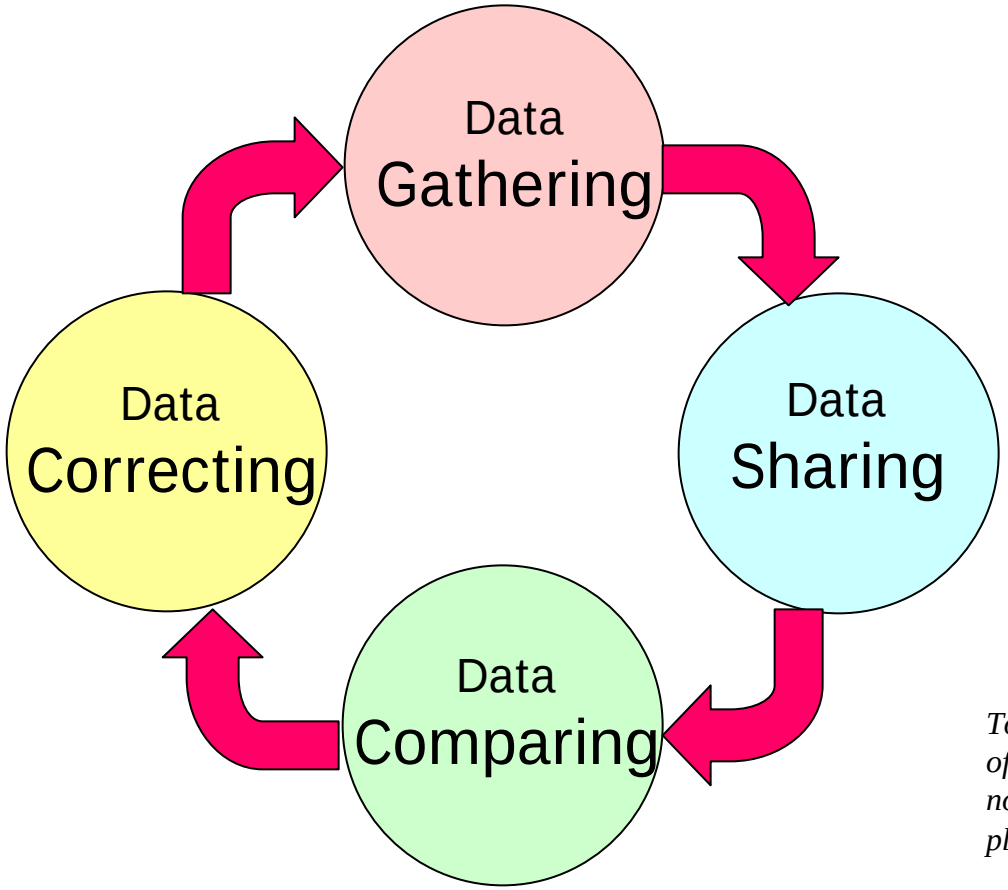
# Conclusion




*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 |

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