4.1 Incorrect Data Challenge
Challenging Draft CDR Data
**What is an incorrect data challenge?**

After the release of the draft cohort default rates, the U.S. Department of Education (the Department) provides schools an opportunity to review the draft data and, if necessary, work with the data manager responsible for the loans to correct any errors. The process of correcting data is called an incorrect data challenge.

<table>
<thead>
<tr>
<th>Incorrect Data Challenge Timeframe</th>
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<tbody>
<tr>
<td><strong>Draft Cycle</strong></td>
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<tr>
<td>School receives draft cohort default rate notification package</td>
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<tr>
<td>School sends completed Incorrect Data Challenge to data manager via eCDR Appeals</td>
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<tr>
<td>Data Manager sends Incorrect Data Challenge response to the school via eCDR Appeals</td>
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<tr>
<td><strong>Official Cycle</strong></td>
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<tr>
<td>Not applicable</td>
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Example: If the rates were released on February 19, 2016, the count will begin on February 22, 2016, giving schools five business days to respond. The actual 45 day timeframe would begin on February 29, 2016; which is the 6th business day. Please note: the 45 days are calendar days.
**Which schools are eligible to submit an incorrect data challenge?**

Any school that receives a draft cohort default rate is provided the opportunity to submit an incorrect data challenge. Because the draft data forms the basis for a school’s official cohort default rate, it is important that every school reviews its loan record detail report (LRDR) for the draft cohort default rates and, if necessary, submit an incorrect data challenge. Even schools that have withdrawn from the William D. Ford Federal Direct Loan (Direct Loan) program should review the LRDR for the draft cohort default rates and, if appropriate, submit an incorrect data challenge.

Challenging draft cohort default rate data enables a school to request a correction to what it believes to be inaccurate data contained in the school’s LRDR for the draft cohort default rates. A LRDR for the draft cohort default rates contains inaccurate data if:

- a borrower’s data was incorrectly reported in the draft cohort default rate calculation,
- a borrower was incorrectly included in the draft cohort default rate calculation, and/or
- a borrower was incorrectly excluded from the draft cohort default rate calculation.

Please note that if a school is alleging an incorrect date entered repayment but failed to accurately report the borrower’s enrollment status to the National Student Loan Data System (NSLDS), the data manager will deny the school’s challenge. If the school does not provide enrollment status changes, the data manager will use the best information available to determine the repayment date. This date will be used for purposes of calculating the school’s cohort default rate.

It is important to correct inaccurate data through an incorrect data challenge for a number of reasons:

- A school will not have a second opportunity to submit an incorrect data challenge; in its review, the school needs to ensure that no discrepancies exist among its records, the information obtained from outside sources, and the LRDR for the draft cohort default rates.
- The loan information used to calculate the draft cohort default rate will be used to calculate the school’s official cohort default rate; the school needs to ensure that this data is accurate because official cohort default rates can result in certain benefits for the school or sanctions against the school.
- An incorrect data challenge will preserve a school’s right to submit an uncorrected data adjustment if the agreed upon changes are not reflected in the official cohort default rate.
An incorrect data challenge will preserve a school’s right to submit an erroneous data appeal on the basis of disputed data if the school is subject to sanction after the release of the official cohort default rates.

**What benefit will a school gain from submitting an incorrect data challenge?**

If it is determined that the draft cohort default rate data is inaccurate, and the data manager responsible for the inaccurate data agrees to make a change to the data, the school’s official cohort default rate should reflect the change. The change to the data may lower, raise, or not affect the cohort default rate.

If the agreed upon changes are not reflected in the official cohort default rate, a school may submit an uncorrected data adjustment to the Department after the release of the official cohort default rates to request that the Department make the manual change to the school’s cohort default rate.

If the data manager does not agree to change the data in a school’s incorrect data challenge and the school is subject to sanction after the release of the official cohort default rates, the school may submit an erroneous data appeal based on the data the school believes is inaccurate if that data was challenged in the school’s incorrect data challenge.

**What roles do the Department and data managers have in a school’s incorrect data challenge?**

A data manager is required to review a school’s incorrect data challenge allegations if the incorrect data challenge allegations are submitted before the deadline and the data manager has responsibility for the loans. The data manager must respond to the school’s incorrect data allegations within 30 calendar days of receipt. The guarantor/servicer code on the LRDR identifies the data manager for a loan. See Chapter 2.3, “Reviewing The Loan Record Detail Report,” for information on determining the data manager for a loan.

The Department has two roles in the incorrect data challenge process. The primary role is to review a data manager’s response to a school’s incorrect data challenge to ensure that the response is correct.

The Department’s other role is to respond to a school’s incorrect data challenge if the Department is the data manager for the loans being challenged. The Department is the data manager for FFELs the Department holds and for all Direct Loans. The Department as data manager responds directly to a school’s incorrect data challenge for certain FFELs that the Department holds. The Department as data manager responds through its servicers to a school’s incorrect data challenge for all Direct Loans and for certain FFEL loans the Department holds.
When must a school submit an incorrect data challenge?
Timing is critical when submitting an incorrect data challenge. In order to submit an incorrect data challenge, a school must review the LRDR for the draft cohort default rates to determine if the LRDR contains any inaccurate data. If the school believes the LRDR contains inaccurate data, it should submit an incorrect data challenge listing the school’s incorrect data allegations. The school must submit the incorrect data challenge within 45 calendar days of the timeframe begin date.

How does a school submit an incorrect data challenge?
All schools must submit their incorrect data challenge via the electronic Cohort Default Rate Appeals (eCDR Appeals) system at https://ecdrappeals.ed.gov/ecdra/index.html. The eCDR Appeals system is a web-based application that allows schools to submit their incorrect data challenge allegations electronically, allows the data manager to respond electronically, and allows the Department to review the data manager response electronically. Submitting the incorrect data challenge electronically helps to ensure that each incorrect data challenge allegation is properly routed to the correct data manager in an appropriate fashion. It also allows for greater protection of personally identifiable information. While the hyperlink above will take users directly to the eCDR Appeals homepage, a link to the eCDR Appeals system is also available from the Default Management Web site.

How does a school register to use eCDR Appeals?
All users must complete the registration process in order to use the eCDR Appeals system. Complete instructions for registering for eCDR Appeals can be found in the eCDR Appeals Registration and User Account Guide. A direct link to this guide, as well as a link to a video demonstration of the registration process, can be found on the eCDR Appeals homepage.

Where can a new user find guidance on submitting an incorrect data challenge using eCDR Appeals?
The eCDR Appeals homepage contains a link to the eCDR Appeals Incorrect Data Challenge User Guide. There are separate User Guides for each challenge, adjustment and appeal type that may be submitted using eCDR Appeals. Additionally, the eCDR Appeals homepage contains a link to video demonstrations for each challenge, adjustment and appeal type that may be submitted using eCDR Appeals.

What information must a school gather to prepare its incorrect data challenge?
A school submitting an incorrect data challenge will need to enter the following information for each borrower that the school alleges contains inaccurate data:

More information:
- Chapter 2.3, “Reviewing the Loan Record Detail Report,” explains how to review the LRDR for inaccurate data.
- Chapter 3.1, “Reviewing Rates and Loan Data,” lists examples of incorrect data challenge allegations a school may submit as a part of an incorrect data challenge.
The borrower SSN, name, basis of alleged error (chosen from a drop-down listing), last date of attendance, date entered repayment, default date (if applicable) and effect on calculation. This information will be entered on the Adjustment Details screen in eCDR Appeals.

Copies of relevant supporting documentation (see Chapter 3.1, “Reviewing Rates and Loan Data,” for examples of other supporting documentation that a school must submit). This information must be available in an electronic format as it must be uploaded to eCDR Appeals.

Copies of the appropriate pages from the LRDR are no longer required from the school, as the LRDR will be pre-loaded into eCDR Appeals when the school initiates its incorrect data challenge.

Once the school has entered all of its allegations and is ready to submit the case, the school will be required to upload the CEO certification letter. This letter must be available in an electronic format. A sample CEO certification letter is provided at the end of this chapter.

How does a data manager respond to a school’s incorrect data challenge?

Data managers will receive email notification from eCDR Appeals when an incorrect data challenge has been submitted that includes borrower loans that the data manager currently holds. Data managers must respond to a school’s submitted incorrect data challenge via the eCDR Appeals system. Timing is critical when responding to a school’s incorrect data challenge. A data manager is required to respond to a school’s submitted incorrect data challenge for those loans which the data manager holds within 30 calendar days of receipt. The eCDR Appeals system monitors the timelines/deadlines for all cases. eCDR Appeals does not permit a school to submit a case after its deadlines have passed.

A data manager must review each incorrect data challenge allegation submitted by the school to determine the following:

- The data manager should determine if the incorrect data challenge allegations presented by the school are based on loans that the data manager currently holds. If the data manager does not hold the loans for some or all of the allegations, the data manager should forward the allegation to the data manager that currently holds the loans in question.

- The data manager should determine if all necessary supporting documentation is present. If a school fails to provide the data manager with all necessary supporting documentation, the data manager may ask the school to submit the missing information. However, the school must submit this additional supporting documentation to the data manager within the initial 45-calendar-day deadline for submitting incorrect data challenges. If the school does not submit the additional supporting documentation within the deadline, the data manager will not consider the additional supporting documentation in its review of the incorrect data challenge allegation.
• The data manager should determine if its documentation supports or refutes each of the incorrect data challenge allegations submitted by the school.

The data manager should agree with the school if the data manager’s documentation supports the school’s claim or if the school has demonstrated that the data manager has failed to take into account correct information the school sent to the data manager or the National Student Loan Data System (NSLDS).

The data manager should disagree with the school if the data manager’s documentation refutes the school’s claim or if the school failed to demonstrate that the correct information was submitted to the data manager or NSLDS. The data manager must explain to the school in the “Comments” field why it disagrees with the school and include a copy of the data manager’s supporting documentation.

After making its determinations, the data manager must enter a response to each incorrect data challenge allegation submitted by the school. The responses will be entered on the Data Manager Adjustment Details screen in eCDR Appeals. If the data manager agrees that a change should be made, it must correct the data in its internal data system and in NSLDS. Before the calculation of the official cohort default rates, the data manager must ensure that the changes it agreed to make were successfully loaded into NSLDS. The data manager should check the NSLDS error report.

The data manager’s response must include the following:

♦ An indication that the data manager agrees or disagrees that an effect on the calculation is warranted. If the data manager disagrees, they must indicate the correct last date of attendance, date entered repayment and default date (if applicable), as well as a comment indicating why the data manager disagrees with the school’s allegation.

♦ Copies of supporting documentation for each incorrect data challenge allegation with which the data manager disagreed.
**What does a school do with a data manager’s incorrect data challenge response?**

Once a data manager has submitted its response to the school’s incorrect data challenge, the school will receive an email notification from eCDR Appeals. The school should review the data manager response for each of the allegations included in the incorrect data challenge. In those cases where the data manager’s response is unclear, incorrect, missing, or incomplete, the school may submit a request to the data manager for clarification. A school must submit the request via eCDR Appeals within 15 calendar days of the receipt of the incorrect data challenge response. The data manager should respond to the school’s inquiry within 20 calendar days of receipt. A school cannot appeal a data manager’s final incorrect data challenge response during the draft cycle. An incorrect data challenge response can only be appealed during the official cycle if the school meets the qualifications to submit an erroneous data appeal, as explained in Chapter 4.5.

**What does the Department do with a data manager’s incorrect data challenge response?**

The Department reviews the data manager response to ensure that the response is correct. If the Department has any questions regarding a data manager response, the Department will request additional information from the data manager. If the data manager made an error in its response, the Department will request that the data manager correct their response in eCDR Appeals. The data manager will also need to resubmit the corrected data to NSLDS and correct its internal records.

**What happens after the Department has completed its review of the incorrect data challenge?**

After the Department completes its review of the incorrect data challenge, the Department closes the case in eCDR Appeals. Once a case is closed, it will remain in the Current Cases listing for the remainder of the cohort year for viewing and printing; however, it can no longer be modified. Email notifications will automatically be sent to the school and to all data managers included in the case, informing them that the incorrect data challenge has been finalized and closed. At this point the schools and data managers can view and print the finalized case and access all relevant reports available from eCDR Appeals.
Sample CEO Certification Letter

Graphic Tech
2341 Toulouse Street
Cape Canaveral, FL 32921-2341

February 14, 2014

U.S. Department of Education
Business Operations
Union Center Plaza, 114B4
400 Maryland Avenue, SW
Washington, DC  20202-5353

Subject: Cohort FY 2012 Incorrect Data Challenge

To Whom It May Concern:

Graphic Tech, OPE ID 099999, is challenging the data found in our loan record detail report for the FY 2012 draft cohort default rate. Please see the information included in the incorrect data challenge case submitted via eCDR Appeals.

I, the undersigned, certify under penalty of perjury, that all information submitted in support of this incorrect data challenge is true and correct.

Thank you for your consideration.

Sincerely,

Alexander Peachum
President, Graphic Tech

The letter must include the school’s OPE ID number, a statement indicating that the school is submitting an incorrect data challenge, and the cohort fiscal year to which the incorrect data challenge applies. The letter must feature a subject line that reads “Subject: Cohort FY [insert cohort fiscal year being used in the incorrect data challenge] Incorrect Data Challenge.” The letter must include a certification that the information provided is true and correct under penalty of perjury. The school’s President/CEO/Owner must sign the letter, and the signature must be followed by a signature block showing the signer’s name and job title.
Incorrect Data Challenge
Checklists

School to eCDR Appeals

Determine
- Does the loan record detail report for the draft cohort rate contain inaccurate data?

Submit to eCDR Appeals
- Relevant information for each borrower challenged
- Supporting Documentation for each borrower challenged
- CEO Certification Letter

Data Manager to eCDR Appeals

Determine
- Was the school submission before deadline?
- Does the data manager hold the loans?
- Is all the material present?
- Does the data manager agree or disagree with the school?

Response to School via eCDR Appeals
- Relevant information for each borrower challenged
- Supporting Documentation for all Disagrees

Follow-up
- Update NSLDS and internal records (if necessary)