

Information for Guaranty Agencies on New Data Adjustments

This section is divided into two parts. The first part (pages 347 through 355) outlines the process and procedures for responding to new data allegations. The second part (pages 356 through 360) provides an example of a situation that would result in a response to new data allegations submitted by a school and sample material as it would pertain to a new data response.

To understand how a guaranty agency should respond to new data allegations, the U.S. Department of Education (Department) recommends that the reader review both parts of this section. In addition, to understand the basis for a new data adjustment and a school's responsibilities in the new data adjustment process, the Department recommends the reader review the "New Data Adjustment" section beginning on page 101.

PART I: Background, Process, and Procedures

What are the time frames and procedures for responding to new data allegations?

Step 1: Within **15 working days** of receiving the school's new data allegations, a guaranty agency should review this Guide to determine if the school timely submitted the allegations to the guaranty agency for review.

Q. Who is responsible for responding to requests for information on loans currently held by the Department?

A. The Department's **Default Management Division** will respond to a school's requests for information regarding **FFEL Program loans currently held by the Department**.

The **Department's Direct Loan servicer** will respond to a school's requests for information regarding **Direct Loan Program loans**.

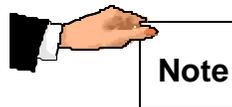


Time frames may overlap. Read ALL steps.

The time frames associated with a school's new data request are outlined in the "New Data Adjustment" section beginning on page 116.

Step 2: **Within the time frame described in Step 1** (i.e., within 15 working days of receiving the school's new data allegations), a guaranty agency should notify the school and the Department if the school's new data allegations were not submitted timely.

If the school did not send its new data allegations to the guaranty agency within **10 working days** of the school receiving its official loan record detail report, the guaranty agency should NOT review any of the school's new data allegations. In its response to the school, the guaranty agency should explain that it is unable to review the allegations because the school missed the regulatory deadline.



If the school's submission due date falls on a weekend or a federal holiday, a school may send its new data allegations to the guaranty agency no later than the next federal business day.

The Department mails official cohort default rates at an announced time and tracks a school's receipt of its cohort default rate and loan record detail report. Before denying a school's new data allegations on the basis of a late submission, a guaranty agency should contact the Department to verify the actual date the school received its official cohort default rate and/or loan record detail report.

Step 3: **Within the time frame described in Step 1** (i.e., within 15 working days of receiving the school's timely submitted new data allegations), a guaranty agency should review each allegation submitted by the school.

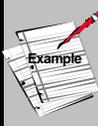
In reviewing each allegation, a guaranty agency should:

- **Determine if all relevant material a school must submit with its new data allegations is present** including, but not limited to:

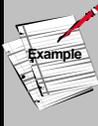
- ❖ a **spreadsheet** identifying the loans that the school is requesting the guaranty agency review;
- ❖ a copy of **relevant pages of the draft and official loan record detail report(s)**.

The school should submit copies of the relevant pages of the draft and official loan record detail reports. The relevant pages of the loan record detail report include those pages from **both** the draft and official loan record detail reports where the loan appears or should appear. If the loan appears (or should appear) at the top or bottom of a page, include the preceding or succeeding page to demonstrate that the loan is not on the previous or subsequent pages.

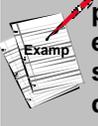
- ❖ relevant **supporting documentation** including, but not limited to:
 - a signed and dated copy of a **letter to the relevant lender or guaranty agency and/or servicer** that informs the entity of the borrower’s last date of attendance with proof that the documentation was timely sent to the relevant lender and/or guaranty agency;
 - a **screen print from the SSCR function within NSLDS** that confirms the borrower’s last date of attendance was timely recorded within NSLDS;



Please refer to page 133 for a school’s sample spreadsheet.



Please refer to page 131 for sample loan record detail reports.

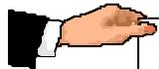


Please refer to page 135 for an example of supporting documentation.

- a dated copy of a **Student Status Confirmation Report (SSCR)** sent to a relevant entity that confirms the borrower’s last date of attendance and proof that the documentation was timely sent to the guaranty agency;

AND/OR

- a copy of a **cancelled check**, front and back, or other documentation showing that the borrower’s loan was cancelled in-full within 120 days of disbursement by the lender.



Note

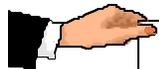
If a school fails to provide the guaranty agency with all the necessary information, the guaranty agency may ask the school to submit the missing information. However, the school must submit the additional information to the guaranty agency within the 10 working day deadline for submitting new data allegations.

••

Research each allegation to determine if documentation maintained by the guaranty agency supports or refutes the school’s allegation.

••

Make a determination on each allegation listed on the school’s spreadsheet.



Note

If a borrower has multiple loans guaranteed and currently held by the guaranty agency, the guaranty agency must address all of the borrower’s loans associated with the school in question.

❖

Agree with the school if the allegation is based on new data and –

- the documentation maintained by the guaranty agency supports the school's claim;

OR

- the documentation submitted by the school demonstrates that the correct borrower information was timely submitted to the relevant lender/guaranty agency/servicer but the lender/guaranty agency/servicer failed to make the appropriate changes.

❖ **Disagree** with the school if:

- the allegation is not based on new data;

Please refer to the “New Data Adjustment” section on page 102 for a definition of new data.

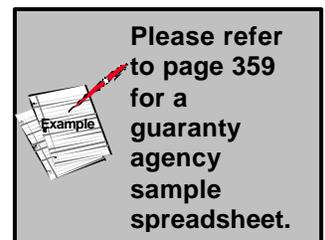
OR

- the documentation maintained by the guaranty agency refutes the school's claim and the school has not provided any supporting documentation that the school timely submitted the correct borrower information to the relevant lender/guaranty agency/servicer.

Step 4: **Within the time frame described in Step 1** (i.e., within 15 working days of receiving the school's timely submitted new data allegations), a guaranty agency should:

- **compile a list** of the guaranty agency's response to the school's new data allegations;

A guaranty agency should refer to the Sample New Data Response SPREADSHEET and SPREADSHEET INSTRUCTIONS on pages 359 and 358 for assistance in developing the list.



- **provide comments** on why the guaranty agency agrees or disagrees with each of the school's allegations;

AND

- if the guaranty agency disagrees with the school's allegations, **provide supporting documentation** to demonstrate the agency's position.

Step 5: **Within the time frame described in Step 1** (i.e., within 15 working days of receiving the school's timely submitted new data allegations), a guaranty agency should send the school the following:

- a letter indicating that the agency has reviewed the school's new data allegations;

A guaranty agency should refer to the Sample New Data Response LETTER on page 360 to assist in developing the letter;

- the spreadsheet created in Step 4;

AND

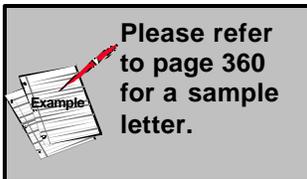
- copies of supporting documentation for each allegation for which it DISAGREES.

Step 6: Within the time frame described in Step 1 (i.e. within **15 working days** of receiving the school's timely submitted new data allegations) a guaranty agency should send the following to the Department:

- a copy of the letter sent to the school;
- a copy of the spreadsheet sent to the school;

AND

- a copy of the supporting documentation sent to school.



Please refer to page 354 for an overview of the MATERIAL that should be included in a guaranty agency's response to new data allegations.

Step 7: **Respond to any subsequent inquiries** from a school within **5 working days** of the receipt of the school's timely submitted inquiry and send a copy of the response letter to the Department.

If a guaranty agency does not agree with the school's subsequent inquiry, the agency should indicate that its previous response was its final response and any subsequent inquiries by the school should be directed to the Department's Default Management Division.



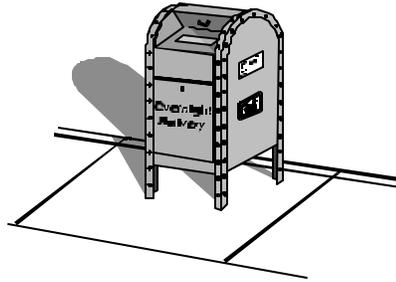
Note Schools must submit subsequent inquiries within **5 working days** of receiving the agency's response to its initial inquiry.

Within the time frame described in Step 5 on page 352, the following MATERIAL should be sent to the school.

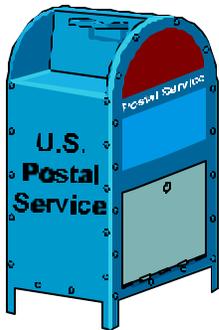
<p>The section behind Component 1 contains:</p> <p>A LETTER on the guaranty agency's official letterhead with—</p> <ul style="list-style-type: none"> •• the school's OPE ID number; •• the school's name; •• a statement indicating that the guaranty agency is responding to the school's new data allegations; •• a reference to the applicable cohort default rate [in this case fiscal year (FY) 1998]; •• the signature of the guaranty agency official, followed by a signature block providing the signer's name and job title. <p style="text-align: center;">AND</p> <ul style="list-style-type: none"> •• an indication that a copy of the entire package was sent to the Department. <p>Guaranty agencies should use the Sample New Data Response LETTER on page 360.</p>	<div style="border: 1px solid black; padding: 2px; display: inline-block;">Component 1</div>
<p>The section behind Component 2 contains:</p> <p>A list, in spreadsheet format, of the guaranty agency's responses to the school's alleged errors.</p> <p>Guaranty agencies should use the Sample New Data Response SPREADSHEET and SPREADSHEET INSTRUCTIONS on pages 359 and 358, respectively. A guaranty agency must provide data on each of the elements listed on the sample spreadsheet.</p> <div style="display: flex; align-items: flex-start; margin-top: 10px;"> <div style="text-align: center; margin-right: 10px;">  </div> <div> <p>If a borrower has multiple loans for which it holds the guaranty, the guaranty agency must address <u>all</u> of the borrower's loans associated with the school in question.</p> </div> </div>	<div style="border: 1px solid black; padding: 2px; display: inline-block;">Component 2</div>
<p>The section behind Component 3 contains:</p> <p>Copies of supporting documentation for each allegation with which the guaranty agency DISAGREED.</p>	<div style="border: 1px solid black; padding: 2px; display: inline-block;">Component 3</div>

If sent by commercial overnight mail/courier delivery, send the Department's copy of the new data response to:

U.S. Department of Education
Default Management Division
ATTN: Guaranty Agency Response
Portals Building, Room 6300
1250 Maryland Avenue, SW
Washington, DC 20024



If sent by U.S. Postal Service, send the Department's copy of the new data response to:



U.S. Department of Education
Default Management Division
ATTN: Guaranty Agency Response
Portals Building, Room 6300
400 Maryland Avenue, SW
Washington, DC 20202-5353

PART II: Examples and Sample Material

Part II of this section outlines a situation that would require a guaranty agency to respond to a school's new data allegations. This part also provides sample material that should be referenced by a guaranty agency when responding to a school's new data allegations.

CONTENT REFERENCE FOR PART II

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Sample New Data Response SPREADSHEET	359
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EXAMPLE of a situation that would result in a response to New Data Allegations

State Guaranty Agency received School of Business' new data allegations on October 5, 2000.

Within 15 working days of receiving the allegations, the guaranty agency:

- determined whether the school's allegations were submitted **timely** (please refer to Step 4 on page 120 for information on the time frames for submitting new data allegations);

According to the Department, the school received its official loan record detail report on September 30, 2000. According to the postmark on the service delivery package, the school submitted the allegations to the agency on October 3, 2000. Because the allegations were submitted within 10 working days of the school's receipt of its official loan record detail report, the allegations were timely submitted.

- determined that **all** of the **relevant material** was present (please refer to Step 4 on page 120 for information on the material a school must submit with its new data allegations);

School of Business provided a spreadsheet that listed Ted Loman and Vickie Burleson's loans and provided what the school believes is the correct data for each of the borrower's loans. The school also provided copies of both the draft and official loan record detail reports for each borrower. Finally, the guaranty agency noted that School of Business provided supporting documentation to substantiate the school's position regarding Ted's loan.

- made a **determination** for each allegation;

School of Business believes that Ted Loman should be added to the FY 1998 official cohort default rate calculation based on a January 16, 1998 date entered repayment. The agency **agreed** with the School of Business because the school demonstrated that it timely submitted the information on Ted's change in enrollment to the State Guaranty Agency.

School of Business believes that Vickie Burleson's loans should be removed from the numerator and denominator of the FY 1998 official cohort default rate calculation. The agency **disagreed** with School of Business because the school did not provide any supporting documentation and the guaranty agency's records indicate that the school did not provide any notice of a change in Vickie's anticipated graduation date.

- **prepared a SPREADSHEET** that identified Ted and Vickie's loans and provided what the agency believes is the correct information that should be associated with each loan (please refer to the Sample New Data Response SPREADSHEET on page 359);

- made a copy of the agency's **SUPPORTING DOCUMENTATION** that demonstrated that Vickie's loans should remain in the FY 1998 cohort default rate calculation;

AND

- **prepared a LETTER** for its New Data Response to the school (please refer to the Sample New Data Response LETTER on page 360).

On October 20, 2000, State Guaranty Agency mailed its response to the allegations via overnight courier to School of Business and sent a copy of the entire package to the Department's Default Management Division at the address found on page 355.

New Data Response SPREADSHEET INSTRUCTIONS

Record all loans for which the school submitted a new data allegation using a spreadsheet software application such as Excel or Lotus 1-2-3. The resulting spreadsheet is sent to the school that submitted the allegations and to the Department.



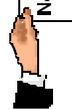
Fill out a separate spreadsheet for each school submitting new data allegations.

The spreadsheet should be on 8 1/2" x 11" paper in a landscape (horizontal) layout. A sample spreadsheet follows these instructions.

Header: Enter **FY 1998 New Data Response** in the center of the header area. In the left-hand area, enter the guaranty agency's name, school's name, school's OPE ID number, and number of borrowers and loans on the list.

Footer: Enter the date the spreadsheet was prepared in the left side of the footer area. Set up automatic pagination in the right side of the footer area so that the specific page number and the total number of pages show on each page, for example: page 1 of 10 pages.

Sort: The borrowers listed on the spreadsheet should be sorted by the borrower's Social Security number.



The guaranty agency should only respond to the borrowers listed on the school's spreadsheet.

On Row 1, enter exactly the same column names in exactly the same order as listed on the sample spreadsheet. Ensure that column names appear at the top of each page.

On Row 2 and below, include the following data for each loan for which the school submitted new data allegations.

Column 1: Enter the borrower's Social Security number (SSN) using hyphens to separate the numbers (example: 000-88-0000).



If a borrower has multiple loans for which the agency maintains the guaranty, the guaranty agency must address all of the borrower's loans associated with the school in question.

Column 2:

Enter the borrower's name.

Column 3:

Enter the number and type of loan(s). Use the following codes to identify the type of loan.

Loan Type Codes	
Code	Description
D1	Direct Loan Subsidized Stafford Loan
D2	Direct Loan Unsubsidized Stafford Loan
SF	FFEL Subsidized Stafford Loan
SL	Supplemental Loans for Student Loan
SU	FFEL Unsubsidized Stafford Loan

Column 4:

Enter MM/DD/CCYY (month, day, and year) of the earlier of the borrower's LDA (last date of attendance) or the LTH (less than half-time date).

Column 5:

Enter MM/DD/CCYY or MM/CCYY to identify the DER (date the loan entered repayment).

Column 6:

Enter MM/DD/CCYY or MM/CCYY to identify the CPD (claim paid date), DD (default date), or ICRD (income contingent repayment date). Enter N/A if the borrower did not default.

Column 7:

Enter the fiscal year(s) to which the guaranty agency believes this information should be applied.

Column 8:

Enter N (numerator), D (denominator), or B (both numerator and denominator), accompanied by a plus or minus sign (such as +D or -D) to show how the guaranty agency believes the information will affect the CDR (cohort default rate) calculation.

Column 9:

Enter **Agree** or **Disagree**. A comment must be made in this section to identify why the agency agreed or disagreed. Documentation must be provided to support the determination if the guaranty agency disagreed.

Sample New Data Response **SPREADSHEET**

State Guaranty Agency
 School of Business
 OPE ID#: 111222
 Number of borrowers: 2
 Number of loans: 3

FY 1998 New Data Response

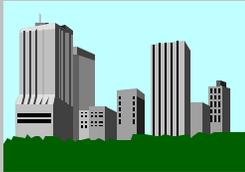
Note: This is a sample spreadsheet. See instructions on page 358.

1. Borrower's SSN	2. Borrower's Name	3. Number and type of loan(s) (Use codes on instructions)	4. Earlier of LDA or LTH (MM/DD/CCYY)	5. Date entered repayment (DER) (MM/DD/CCYY)	6. CPD, DD, ICRD, or N/A (MM/DD/CCYY or leave blank)	7. FY(s) appl.	8. Effect on CDR calc. (N.D. or B)	9. Comments
111-11-1111	Ted Loman	1 SF	07/15/1997	01/16/1998	N/A	FY 1998	+D	Agree. Our records indicate that the school timely submitted the information on Ted's change in enrollment.
222-22-2222	Vickie Burleson	1 SF	04/20/1997	10/21/1997	09/20/2000	FY 1998	none	Disagree. Our records indicate that the school did not provide any notice of a change in the borrower's anticipated graduation date (AGD). Therefore, the lender used the AGD originally provided by the school to determine the DER. Please see the enclosed documentation.
222-22-2222	Vickie Burleson	1 SU	04/20/1997	10/21/1997	09/20/2000	FY 1998	none	Disagree. Our records indicate that the school did not provide any notice of a change in the borrower's anticipated graduation date (AGD). Therefore, the lender used the AGD originally provided by the school to determine the DER. Please see the enclosed documentation.

10/20/2000

Page 1 of 1

Sample New Data Response **LETTER**



State Guaranty Agency

1234 Trueman Road
Lusby, North Carolina 98765-4321
(111) 222-3333

Sample Letter

October 20, 2000

Robert Young
President
School of Business
1212 Wedgewood Lane
Leonardtown, Wisconsin 12345-6789

OPE ID#: 111222

Subject: FY 1998 New Data Response

Dear Mr. Young:

This is State Guaranty Agency's response to School of Business',
OPE ID# 111222, FY 1998 new data allegations.

Please see the enclosed spreadsheet and supporting
documentation.

Sincerely,

Bob Bowen

Bob Bowen, Compliance Officer
State Guaranty Agency

Enclosures

cc: U.S. Department of Education, Default Management Division