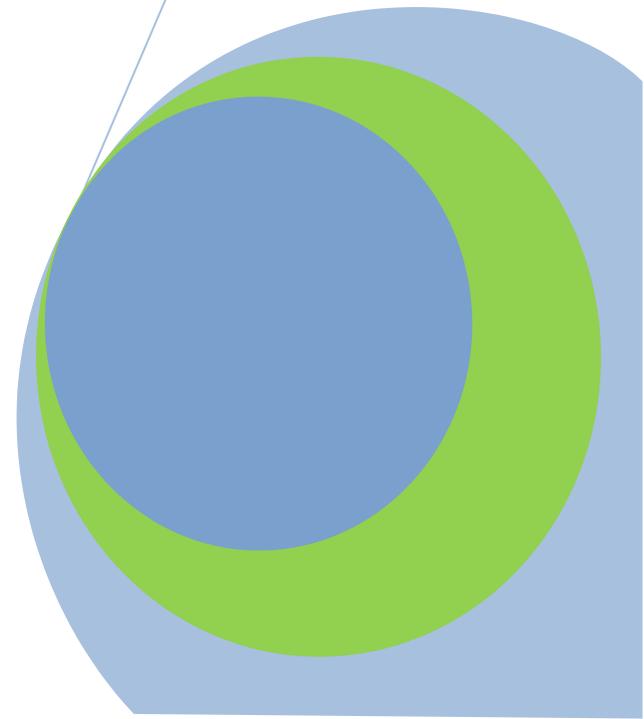


2.3 Reviewing the Loan Record Detail Report

Understanding The CDR Calculation Process



What is a loan record detail report (LRDR)?

A LRDR contains information on the loans that were used to calculate a school's draft or official cohort default rate. The LRDR lists a school's Federal Family Education Loan (FFEL) and/or William D. Ford Federal Direct Loan (Direct Loan) activity, including but not limited to:

- ◆ the number of borrowers who entered repayment during a given fiscal year, and
- ◆ the loan status of those borrowers.

Note that the information on the LRDR includes loan information that the schools and data managers have submitted to the National Student Loan Data System (NSLDS).

Why should a school review the LRDR for the DRAFT cohort default rates?

Unless it is corrected, the draft cohort default rate data will be used to calculate the official cohort default rates. Therefore, it is important for the school to verify the accuracy of the draft cohort default rate data before the official cohort default rates are calculated and released. ***If the school does not challenge draft cohort default rate data that the school believes is incorrect, the school forfeits the right to submit certain types of adjustments and appeals when the official cohort default rates are released.***

Why should a school review the LRDR for the OFFICIAL cohort default rates?

The Department uses the official cohort default rate to determine if a school is subject to sanction or eligible for benefits. If a school finds errors in the cohort default rate data, the school may be eligible to file an uncorrected data adjustment, new data adjustment, and/or erroneous data appeal. Therefore, it is important that a school review its LRDR for the official cohort default rates to verify the accuracy of the data used to calculate its official cohort default rate.

NSLDS receives regular updates from numerous data providers. As a result, a school's LRDR for the draft cohort default rates may differ from its LRDR for the official cohort default rates due to the addition of new data or changes in the data. New data occurs when the loan data reported to NSLDS changes during the period between the draft cohort default rate calculation and the official cohort default rate calculation for the same cohort fiscal year.

New data can be identified by comparing the LRDRs for the draft and official cohort default rates for the same year and determining if any loan data is newly included, excluded, or changed in any manner. If new data appears in a school's official cohort default rate calculation, the school may be eligible to submit an adjustment and/or appeal of its official cohort default rate based on allegations of new data errors.

The LRDR is used to verify information such as "Date Entered Repayment," and is the basis for:

- **Incorrect data challenges (draft rates)**
- **Uncorrected data adjustments**
- **New data adjustments**
- **Erroneous data appeals**

How does a school determine if there is inaccurate data on the LRDR?

A school should review the LRDR by comparing the school’s records to the information on the LRDR. A school can simplify this process by creating a spreadsheet or database using information from the school’s records. This Guide only discusses spreadsheets; a school should consult its technical staff to discuss database creation. It is important to note that a school does not need to wait until the release of the cohort default rates to create the school’s spreadsheet.

Type: **School Records Spreadsheet:**

	A	B	C	D	E	F	G	H	I	J	K	L
1	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 NegAm Date	Claim Reason Code	Comment
2	111-11-1111	Jonz, Shirley	SF	09/01/2002-05/24/2003	ID	F	10/05/2003	N/A	N/A	N/A	N/A	
3	222-22-2222	Grady,Whitman	SU	09/01/2002-05/24/2003	RP	G	05/24/2003	05/24/2003	11/25/2003	N/A	N/A	

Date ___ / ___ / ___ Page ___ of ___

A blank version of this spreadsheet is posted on the [Default Management](#) website.

Once the school has completed the spreadsheet, it should compare the spreadsheet to the LRDR, to the repayment information from NSLDS, or to information on data manager, lender, or loan servicer reports. The school should ask the following questions:

- ◆ Is each data element on the school’s spreadsheet the same as the corresponding element on the LRDR (if not, the data may be incorrectly reported)?
- ◆ Are there borrowers on the LRDR that are not on the school’s spreadsheet (if so, the borrowers may be incorrectly included)?
- ◆ Are there borrowers on the school’s spreadsheet that are not on the LRDR (if so, the borrowers may be incorrectly excluded)?

If there are differences between the school’s data and the data on the sources mentioned, the school should examine its records and the other sources (for example, the NSLDS borrower enrollment history) to determine the possible causes for each difference. If the school believes there is inaccurate data on the LRDR, it should contest the data.

How does a school review its cohort default rate data?

The appropriate school office should compare the information in the LRDR for the draft cohort default rates to the school's own records to ensure the accuracy of the data in the LRDR for the draft cohort default rates. The school office should correct any inaccuracies by submitting an incorrect data challenge.

The school should compare the LRDR for the official cohort default rates to both the school's own records and to the LRDR for the draft cohort default rates. If the school submitted an incorrect data challenge, the school should review the data managers' incorrect data challenge responses and compare these to the LRDR for the official cohort default rates.

Are the LRDRs subject to the Privacy Act?

Because LRDRs contain personal identification information about borrowers who received loans under the FFEL and Direct Loan programs, the Privacy Act of 1974 and the Family Educational Rights and Privacy Act (FERPA) apply to all cohort default rate loan data, including the LRDRs. State and local laws and regulations may also govern the use of this material. Recipients must take appropriate steps to ensure that this material is used and discarded properly.

▶ See Chapter 2.4, "Cohort Default Rate Effects," for more information about cohort default rate sanctions and benefits

▶ See Chapter 2.2, "How Schools Get the Rates and Loan Data," for information on requesting a copy of the "Loan Record Detail Report"