

**Actual data:**

All eligible borrowers in the cohort at a given school as defined by its 6-digit OPE ID; excludes the effects of mergers, average-rate determinations, challenges, and appeals. In contrast, official rates—those that can result in sanctions and the calculation of which is outlined in the regulations—utilizes data that include the effects of mergers, average-rate determinations, challenges, and appeals.

**Adjustment:**

An administrative action a school can bring after the release of the official cohort default rates. There are two types of adjustments: an uncorrected data adjustment and a new data adjustment.

**AGI:**

Abbreviation used to refer to adjusted gross income.

**Allegation:**

For cohort default rate purposes, a school statement about the accuracy of specific loan information data on the loan record detail report.

**Appeal:**

An administrative action a school can bring after release of the official cohort default rates. There are six types of appeals: an erroneous data appeal, a loan servicing appeal, an economically disadvantaged appeal, a participation rate index appeal, an average rates appeal, and a thirty-or-fewer borrower's appeal. Moreover, after release of official cohort default rates, in specified circumstances, a school can bring an uncorrected data adjustment or a new data adjustment, in addition to or in lieu of an appeal.

**Average Rate:**

One of two methods of calculating an official cohort default rate. The average rate formula is used to calculate the official cohort default rate for a school with 29 or fewer borrowers entering repayment during a cohort fiscal year that had a cohort default rate calculated for the two previous cohort fiscal years.

**Average Rates Appeal:**

As described in Sections 668.196 and 668.215 of Title 34 of the Code of Federal Regulations (34 CFR 668.196 and 668.215). A school facing sanction based on three consecutive official cohort default rates that meet or exceed the relevant threshold (25.0 percent for the 2-year calculation, and 30.0 percent for the 3-year calculation) is not subject to that sanction if at least two of these official cohort default rates are average rates and would have been less than the relevant threshold if they had been calculated as non-average rates. In addition, a school facing sanction based on one official cohort default rate that is greater than 40.0 percent is not subject to that sanction if the official cohort default rate was calculated as an average rate.

**Award Year:**

The period of time from July 1 of one year to June 30 of the following year. The year used in some Title IV programs.

**Common Acronyms & Abbreviations:**

**CFR** – Code of Federal Regulations

**Department** – the U.S. Department of Education

**EFC** – Expected Family Contribution

**FFEL** – a loan made under the Federal Family Education Loan Program

**FSA**– Federal Student Aid

**GPA** – Grade Point Average

**HEA** - Higher Education Act of 1965

**LRDR** – Loan Record Detail Report

**N/A** – “not applicable”

**NSLDS** –National Student Loan Data System

**SSN** – Social Security Number

***Benefit:***

Advantage granted to schools with low official cohort default rates. Schools with low official cohort default rates may be exempt from certain loan disbursement requirements.

***Challenge:***

An administrative action a school can bring after release of the draft cohort default rates. There are two types of challenges: an incorrect data challenge and a participation rate index challenge.

***Claim Paid Date:***

The date a guaranty agency reimburses a lender for a defaulted FFEL. Except for FFELs purchased by the Department, this date is used to determine if the FFEL borrower will be placed in the numerator of the cohort default rate calculation. If the claim paid date falls within the cohort default period, the borrower is included in both the denominator and numerator of the cohort default rate calculation.

***Cohort Default Rate Calculation:***

As described in 34 CFR 668.183 and 34 CFR 668.202. The percentage of a school's borrowers who enter repayment on certain FFELs and/or Direct Loans, and who default (or meet the other specified condition) within prescribed cohort default period(s).

***Cohort Fiscal Year:***

The fiscal year for which the cohort default rate is calculated.

***Commonality of Ownership:***

A commonality of ownership or management exists between schools if, at each school, the same person, or a member of that person's family, directly or indirectly holds or held a managerial role or has or had the ability to substantially affect the school's actions.

***Completion Rate:***

As described in 34 CFR 668.194(c). and 668.213(d). The percentage of regular students enrolled at a school that completed their programs during a specified 12-month period. Used by degree-granting schools when submitting an economically disadvantaged appeal.

***Consolidation:***

The process of repaying an existing loan account with a new loan. Generally, the borrower combines multiple loans into one new loan.

***CPD:***

Abbreviation used to refer to the claim paid date.

***Data Manager:***

Depending on the loan, a data manager may be the Federal Loan Servicer, a guaranty agency, or in some instances, the Department. The entity

responsible for maintaining and managing the data used in calculating cohort default rates.

**Data Manager Code:**

A code number used to identify the data manager for a loan. Another name for the Guarantor/Service Code.

**Date Entered Repayment:**

The date when the borrower begins repayment on a loan. Generally, the date entered repayment occurs after the end of a grace period.

**DD:**

Abbreviation used to refer to the default date.

**Default:**

Except in other specified conditions, a FFEL that has not been purchased by the Department is considered to be in default for cohort default rate purposes only if the guaranty agency has paid a default claim on the loan to the lender. Except in other specified conditions, a Direct Loan, or a FFEL that has been purchased by the Department, is considered to be in default for cohort default rate purposes after 360 days of delinquency (or after 270 days of delinquency, if the borrower's first day of delinquency was before October 7, 1998).

**Degree-Granting School:**

A school that offers an associate, baccalaureate, graduate, or professional degree. A school should refer to its Eligibility and Certification Approval Report if the school is uncertain about its degree-granting status.

**Delinquency:**

A borrower who misses a regularly scheduled payment is considered in delinquency. The more payments the borrower misses, the longer the delinquency.

**Denominator:**

For CDR purposes, the Denominator of the CDR calculation is the number of borrowers who entered repayment in the cohort fiscal year.

**Department:**

Abbreviation used to refer to the U.S. Department of Education.

**DER:**

Abbreviation used to refer to the date entered repayment.

**Direct Loan:**

Abbreviation used to refer to the William D. Ford Federal Direct Loan Program or to a loan made under that program.

**Direct Stafford/Ford Loans:**

Term used to refer to Federal Direct Subsidized Stafford/Ford Loans and Federal Direct Unsubsidized Stafford/Ford Loans.

***Disputed Data:***

Disputed data occurs when a school submitted an incorrect data challenge, the data manager for the loan disagreed with the challenge, the school believed the data manager was incorrect, and the same data are used to calculate the school's official cohort default rate.

***eCDR Appeals***

The electronic cohort default rate appeals system, used to electronically process certain CDR challenges/adjustments/appeals.

***Economically Disadvantaged Appeal:***

As described in 34 CFR 668.194 and 668.213. An appeal alleging that a school should not be subject to sanction because it has a high number of low-income students. There are two types of economically disadvantaged appeals: an economically disadvantaged appeal based on low-income rate and placement rate (available only to non-degree-granting schools) and an economically disadvantaged appeal based on low income rate and completion rate (available only to degree-granting schools).

***Eligibility:***

The ability to participate in one or more of the Title IV programs the Department administers. A school that is sanctioned for high official cohort default rates is subject to a loss of eligibility in certain Title IV programs.

***Eligible Program:***

An educational program at a school that meets the criteria for Title IV program eligibility.

***Erroneous Data Appeal:***

As described in 34 CFR 668.192 and 668.211. An administrative appeal that alleges that because of new data and/or disputed data included in the official cohort default rate calculation, a school's official cohort default rate data is inaccurate.

***Evasion:***

An attempt to avoid cohort default rate sanctions by changing a school's name, location, corporate structure, OPEID, or other status.

***Expected Family Contribution (EFC):***

The amount a student and his or her family are expected to contribute to the student's postsecondary educational expenses.

***Family Educational Rights and Privacy Act:***

Along with the Privacy Act of 1974, a law governing the release by educational institutions and others of private information. These laws apply to all cohort default rate loan data because this data contains personal identification information about borrowers who received loans under the FFEL and Direct Loan programs. State and local laws and regulations may also govern the use of this material.

***Federal Family Education Loan Program:***

Full name of the FFEL Program. The Federal Family Education Loan Program comprises three loan programs: subsidized Federal Stafford Loans and unsubsidized Federal Stafford Loans (collectively referred to as Federal Stafford Loans), Federal PLUS Loans, and Federal Consolidation Loans. Only Federal Stafford Loans are directly included in the cohort default rate calculation. Federal Supplemental Loans for Students (Federal SLS loans) were formerly part of the Federal Family Education Loan Program. However, Federal SLS loans have not been made since July 1, 1994. It is possible for a Federal SLS loan to be included in a current cohort default rate calculation under certain circumstances.

***Federal Fiscal Year:***

A federal fiscal year begins on October 1 of the calendar year and ends on September 30 of the next calendar year. A federal fiscal year is always identified by the calendar year when the fiscal year ends. Also referred to as a fiscal year.

***Federal Loan Servicer:***

*TIVAS\_\_ACS: Great Lakes Education Loan Services; Nelnet; Sallie Mae Corporation; AES/PHEAA?? Cryptic. Spell out acronyms.*

***Federal Stafford Loans:***

Term used to refer to subsidized Federal Stafford Loans and unsubsidized Federal Stafford Loans made under the FFEL Program.

***Federal Student Aid (FSA):***

The office within the Department that is responsible for managing the operational functions supporting the Title IV programs.

***FERPA:***

See “Family Educational Rights and Privacy Act.”

***FFEL:***

Abbreviation used to refer to the Federal Family Education Loan Program. For the purposes of this Guide, FFEL is also used to refer to those FFEL loans that are included in the cohort default rate calculation.

***Fiscal Year:***

Another name for federal fiscal year.

***FY:***

Abbreviation used to refer to a specific fiscal year, such as FY 2000. The specific year is always the calendar year when the fiscal year ends.

***Grace Period:***

For Federal Stafford Loans and Direct Stafford/Ford Loans, the six-month period that generally begins when a borrower separates (graduates or withdraws) from school or drops below half-time enrollment.

***Guarantor/Service Code:***

A code number used to identify the data manager for a loan. Another name for the data manager code.

***Guaranty Agency:***

A data manager responsible for FFELs not held by the Department.

***Higher Education Act of 1965:***

The original legislation authorizing the creation of the Title IV programs.

***Improperly Serviced Loan:***

As described in 34 CFR 668.193(b) and 668.212(b). If the holder of a loan fails to perform certain activities when servicing the loan, the loan is considered improperly serviced for cohort default rate purposes. For this Guide, “improperly serviced” always means “improperly serviced for cohort default rate purposes only.”

***Inaccurate Data:***

Information on the loan record detail report that is incorrectly reported, incorrectly included, or incorrectly excluded.

***Incorrect Data Challenge:***

As described in 34 CFR 668.185(b) and 668.204(b). After the release of the draft cohort default rates, the Department provides schools with an opportunity to review the draft cohort default rate 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. This process was formerly referred to as a draft data challenge.

***Last Date of Attendance (LDA):***

The date that a student leaves school entirely (graduates or withdraws). The last date of attendance is the day before the borrower’s grace period begins.

***Less-Than-Half-Time Date:***

The date that a student’s enrollment status drops to less than half time. The less-than-half-time date is the day before the borrower’s grace period begins.

***Liability:***

Certain costs associated with FFELs and Direct Loans that a school must pay if the school continued to certify and deliver or originate and disburse loans while the school’s unsuccessful adjustment and/or appeal was pending.

***Loan Record Detail Report (LRDR):***

A loan record detail report contains information on the loans that were used to calculate a school’s draft or official cohort default rate. The loan record detail report lists a school’s FFEL and/or Direct Loan activity, including but not limited to the number of borrowers who entered repayment during a given cohort fiscal year, the number of borrowers who defaulted in the cohort period, and the loan status of those borrowers.

***Loan Servicing Appeal:***

As described in 34 CFR 668.193 and 668.212. An administrative appeal alleging that a school's official cohort default rate includes defaulted FFELs or Direct Loans that are considered improperly serviced for cohort default rate purposes.

***Loan Servicing Records:***

Records that detail the servicing activities a loan holder performed when servicing a loan. For FFELs, loan servicing records are the collection and payment history records that are provided to the guaranty agency by the lender and used by the guaranty agency in determining whether to pay a claim on a defaulted loan. For Direct Loans, loan-servicing records are the collection and payment history records that are maintained by the Federal Loan Servicer.

***Low Income Rate:***

As described in 34 CFR 668.194(b) and 668.213(c). The percentage of students with low incomes enrolled at a school during a specified 12 month period. Used when submitting an economically disadvantaged appeal.

***LTH:***

Abbreviation used to refer to the less-than-half-time date.

***Management's Written Assertion:***

The materials a school submits to an independent auditor and to the Department as part of the school's economically disadvantaged appeal. An independent auditor must review the management's written assertion.

***National Student Loan Data System (NSLDS):***

The Department's database of federal student loan information. This information is used to calculate a school's cohort default rate.

***New Data:***

New data occurs when data reported to NSLDS is newly reported, included, or excluded between the calculation of the draft and official cohort default rates. To be included in a new data adjustment or erroneous data appeal, "new data" must be incorrect new data.

***New Data Adjustment:***

As described in 34 CFR 668.191 and 668.210. A new data adjustment is an administrative action in which a school challenges the accuracy of new data included in the school's official cohort default rate that was not reflected in the draft cohort default rate. If the school is subject to loss of eligibility or provisional certification as a result of the official cohort default rate, the school should bring an erroneous data appeal instead.

***Non-Average Rate:***

One of two methods of calculating an official cohort default rate. The non-average-rate formula is used for a school with 30 or more borrowers entering repayment during a cohort fiscal year.

***Non-Degree-Granting School:***

A school that does not offer an associate, baccalaureate, graduate, or professional degree. A school should refer to its Eligibility and Certification Approval Report if the school is uncertain about its degree-granting status.

***Numerator:***

For cohort default rate purposes, the numerator of the cohort default rate calculation is the number of borrowers included in the denominator who defaulted or met the other specified condition within the cohort period.

***Operations Performance Division:***

The office within FSA that calculates and releases school cohort default rates and works with schools and data managers in the cohort default rate challenge, adjustment, and appeal process.

***Other Specified Condition:***

In addition to those borrowers who default, borrowers who meet a certain condition are also considered to be in default for cohort default rate purposes. This condition occurs when a school owner, agent, contractor, employee, or any other affiliated entity or individual makes a payment before the end of the cohort default period to prevent a borrower's default on a loan that entered repayment during cohort fiscal year. In such a situation, the borrower is considered in default for cohort default rate purposes.

***Overlap:***

To have one or more calendar days in common. For example, an award year overlaps a 12-month period if any calendar day that is included in the award year is also included in the 12-month period.

***Participation Rate Index:***

As described in 34 CFR 668.195(b) and 668.214(b). The percentage of a school's students who participated in (borrowed under) the FFEL and/or Direct Loan programs during a specified 12 month period multiplied by the school's cohort default rate.

***Participation Rate Index Appeal:***

As described in 34 CFR 668.195 and 668.214. A type of appeal that contends a school should not be subject to loss of eligibility (or provisional certification based three-year official cohort default rates) because the number of students who obtained loans to attend the school is very low in relation to the number of regular students at the school. A participation rate index appeal is submitted after the release of the official cohort default rates.

### ***Participation Rate Index Challenge:***

As described in 34 CFR 668.185(c) and 668.204(c). A type of challenge that contends a school should not be subject to loss of eligibility (or provisional certification based on three-year rates) because the number of students who obtained loans to attend the school is very low in relation to the number of regular students at the school. A participation rate index challenge is submitted after the release of the draft cohort default rates.

### ***Placement Rate:***

As described in 34 CFR 668.194(d) and 668.213(e). The percentage of regular students enrolled at a school who became employed in the occupation for which the school trained them. Used by non-degree-granting schools when submitting an economically disadvantaged appeal.

### ***Privacy Act of 1974:***

Along with the Family Educational Rights and Privacy Act, a law governing the release of private information maintained by the government. These laws apply to all cohort default rate loan data because this data contains personal identification information about borrowers who received loans under the FFEL and Direct Loan programs. State and local laws and regulations may also govern the use of this material.

### ***Regular Student:***

A student who enrolled or was accepted for enrollment at a school for the purpose of obtaining a degree, certificate, or other recognized educational credential offered by that school.

### ***Sanction:***

Penalties the Department imposes on a school with high official cohort default rates. Sanctions associated with high official cohort default rates occur when a school's three most recent official cohort default rates are 25.0 percent or greater for the two- year calculation or 30.0 percent or greater for the three-year calculation, or when a school's most recent official cohort default rate is greater than 40.0 percent. These sanctions include a loss of eligibility to participate in certain Title IV programs. Another sanction is placement on provisional certification, which may occur when one of a school's three most recent official cohort default rates is a two-year official cohort default rate of 25.0 percent or greater or when two of a school's three most recent official three-year cohort default rates are official cohort default rates of 30.0 percent or greater.

### ***Thirty-or-Fewer Borrowers Appeal:***

As described in 34 CFR 668.197 and 668.216. A school that has a total of 30 or fewer borrowers included in the three most recent cohort fiscal years is not subject to sanction.

### **Three-Year-Rates or Three-Year Cohort Default Rates or Three-Year Official Cohort Default Rates:**

Official cohort default rates that track defaults for the cohort fiscal year and the two succeeding fiscal years. They are governed by 34 CFR Part 668, Subpart N and, following publication in September, 2014 of the three year

official cohort default rate for fiscal year 2011 become the basis for any subsequent loss of eligibility or placement on provisional certification based on cohort default rates.

***12-Month Period:***

When submitting a participation rate index challenge, economically disadvantaged appeal, or participation rate index appeal, a school must select a 12-month period on which to base the action. The school may base the action on any 12-month period that ended during the six months immediately preceding the start of the cohort fiscal year for which the school is submitting the action.

**Two-Year Rates or Two-Year Cohort Default Rates or Two Year Official Cohort Default Rates:**

Cohort default rates that track defaults for the cohort fiscal year and one succeeding fiscal year. They are governed by 34 CFR Part 668, Subpart M and will not be calculated for cohort fiscal years after FY 2011.

***Two-Year Cohort Default Period:***

The two-year period that begins on October 1 of the fiscal year when the borrower enters repayment and ends on September 30 of the following fiscal year.

***Three-Year Cohort Default Period:***

The three-year period that begins on October 1 of the fiscal year when the borrower enters repayment and ends on September 30 of the second following fiscal year.

***Uncorrected Data Adjustment:***

As described in 34 CFR 668.190 and 668.209. A request submitted to the Department to ensure that a school's official cohort default rate calculation reflects changes that a data manager agreed to in its incorrect data challenge response.

***Unofficial Rate:***

An official rate cannot be calculated for a school with 29 or fewer borrowers entering repayment during a cohort fiscal year if the school did not have a cohort default rate calculated for either or both of the two previous cohort fiscal years. Such a school will have an unofficial cohort default rate calculated using the non-average rate formula and current cohort fiscal year data. An unofficial cohort default rate does not meet the statutory definition of a cohort default rate. Therefore, it cannot be used to apply sanctions or benefits.

***William D. Ford Federal Direct Loan Program:***

Full name of the Direct Loan Program. The William D. Ford Federal Direct Loan Program comprises three loan programs: Federal Direct Subsidized Stafford/Ford Loans and Federal Direct Unsubsidized Stafford/Ford Loans (collectively referred to as Direct Stafford/Ford Loans), Direct Plus Loans, and Direct Consolidation Loans. Only Direct Stafford/Ford Loans are directly included in the cohort default rate calculation.

