

4.4 New Data Adjustment

What is a new data adjustment?

A new data adjustment allows a school to challenge the accuracy of “new data” included in the school’s most recent official cohort default rate.

New Data Adjustment Timeframe		
Draft Cycle	Not applicable	
Official Cycle	School receives official cohort default rate notification package	<i>September</i>
	School sends New Data Adjustment allegations to Data Manager via eCDR Appeals	<i>Within 15 days of timeframe begin date</i>
	Data Manager sends New Data Adjustment response to school via eCDR Appeals	<i>Within 20 days of receipt of school’s New Data Adjustment allegations</i>
	If necessary, school requests clarification via eCDR Appeals	<i>Within 15 days of receipt of Data Manager response</i>
	Data Manager sends requested information to school via eCDR Appeals	<i>Within 20 days of receipt of school’s clarification request</i>
	School sends completed New Data Adjustment via eCDR Appeals	<i>Within 30 days of receipt of final Data Manager response</i>

Regulatory citations:
 34 CFR 668.191
 34 CFR 668.210

The “timeframe begin date” is the sixth business day after the cohort default rates are released as officially announced on the IFAP website:
<http://ifap.ed.gov>

What is new data?

New data occurs when loan data reported to the National Student Loan Data System (NSLDS) changes during the period between the calculation of the draft and official cohort default rates. NSLDS is continuously provided with new or updated information. Because the draft cohort default rates are calculated approximately six months before the official cohort default rates are calculated, the data used to calculate the draft cohort default rates may be different from the data used to calculate the official cohort default rates.

New data can be identified by comparing the loan record detail reports (LRDRs) for the draft and official cohort default rates for the same cohort fiscal year and determining if any loan data is newly included, excluded, or changed in any manner. The school should then determine if the new data results in the loan data being reported incorrectly.

The following are examples of new data:

- ◆ a loan on the LRDR for the official cohort default rates is newly included, excluded, or changed in some manner when compared to the LRDR for the draft cohort default rates, and
- ◆ the school believes the loan is being incorrectly used in the official cohort default rate calculation.

If the loan data is reported in the same manner in the LRDR for the draft and official cohort default rates, the school may not submit a new data adjustment.

If a school does not submit a new data adjustment after the release of the official cohort default rates, the school will not have the opportunity to submit a new data adjustment at a later time.

What benefit will a school gain from submitting a new data adjustment?

If, as a result of a new data adjustment (or as the result of a school's submission of any adjustment or appeal), the Department determines that a school's official cohort default rate data is incorrect, the Department will recalculate the cohort default rate using the corrected data. This may lower, raise, or not affect the cohort default rate. If the school is subject to sanction and the cohort default rate is lowered below the sanction level, the school is no longer subject to that sanction.

What roles do the Department and data managers have in a school's new data adjustment?

A data manager is required to review a school's new data adjustment allegations if the new data adjustment allegations are submitted in a timely manner and the data manager has responsibility for the loans. 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 data manager must respond to the school's new data adjustment allegations within 20 calendar days of receipt.

The Department has two roles in the new data adjustment process. The primary role is to review a school's new data adjustment, which is submitted to the Department once the school has received confirmation from the data manager that a change to the data is warranted. If the data manager indicates that a change is not warranted, the school cannot submit those new data adjustment allegations to the Department as a part of a new data adjustment. If the Department determines that the data manager correctly agreed that changes are warranted to the new data identified by the school, the

Department will recalculate the school's cohort default rate based on the correct data and notify the school.

The Department's other role is to respond to a school's new data adjustment allegations if the Department is the data manager for the loans. 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 new data adjustment allegations for certain FFELs that the Department holds. These loans are identified in the LRDR with a guarantor/ servicer code of 555, 577, 627, and 631.

The Department as data manager responds through its Federal servicers to a school's new data adjustment allegations regarding all Direct Loans and for certain FFEL loans that the Department holds. These loans are identified in the LRDR with a guarantor/servicer code of 578, 579, 580, 581, and 583.

How does a school submit new data adjustment allegations to a data manager?

All schools must submit their new data adjustment via the [eCDR Appeals](#) system. The eCDR Appeals system is a web-based application that allows schools to submit their new data adjustment allegations electronically, allows the data manager to respond electronically, and allows the Department to review the data manager response electronically. Submitting the new data adjustment electronically helps to ensure that the new data adjustment is properly routed to the Department in a timely 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 Prevention and Management website](#).

How does a data manager respond to a school's new data adjustment allegations?

Data managers will receive email notification from eCDR Appeals when a new data adjustment has been submitted that includes borrower loans that the data manager currently holds. Data managers must respond to a school's timely submitted new data adjustment via the eCDR Appeals system. Timing is critical when responding to a school's new data adjustment. A data manager is required to respond to a school's timely submitted new data adjustment for those loans which the data manager holds within 20 calendar days of receipt.

A data manager must review each new data adjustment allegation submitted by the school to determine the following:

- ◆ The data manager should determine if the new data adjustment 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 15-calendar-day deadline for submitting new data adjustments. 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 new data adjustment allegation.
- ◆ The data manager should determine if its documentation supports or refutes each of the new data adjustment 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 timely 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 timely 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 new data adjustment 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 with the school's allegation. 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 new data adjustment allegation with which the data manager disagreed.

What does a school do with the data manager's new data adjustment allegations response?

Once the data manager has submitted its response to the school's new data adjustment allegations, 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 new data adjustment. 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 new data adjustment allegations response. The data manager should respond to the school's inquiry within 20 calendar days of receipt. If the school does not require clarification for any of the new data adjustment allegation responses, the school may end the clarification period by selecting the "No Clarification Needed" button, as described in Chapter 14.1 of the eCDR Appeals New Data Adjustment User Guide.

Within 30 calendar days of receiving the final response to all of the school's new data adjustment allegations, the school must decide how to proceed with its new data adjustment. If the data manager response indicates there is no new incorrect new data in the school's official cohort default rate calculation, the school can proceed no further with the new data adjustment and should notify the Department that the school is withdrawing the new data adjustment, as described in Chapter 14.4 of the eCDR Appeals NDA User Guide. A school cannot appeal a data manager's new data adjustment allegations response to the Department, unless submitted as part of an erroneous data appeal, as explained in Chapter 4.5.

If the data manager agrees with any of the school's new data adjustment allegations, the school should submit the new data adjustment to the Department. Only the Department can make the recommended changes to the school's cohort default rate.

What happens after the school submits the new data adjustment?

The Department will review the new data using the standard of review described in 34 CFR 668.189(f) or 34 CFR 668.209(f). If the Department determines that a school's cohort default rate calculation data is incorrect, the Department will recalculate the school's cohort default rate based on the correct data.

After the Department completes its review of the new data adjustment, 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 new data adjustment has been finalized and closed. At this point the schools and data managers can view and print the final determination letter, view and print the finalized case, and access all relevant reports available from eCDR Appeals.

If the school was notified that it was subject to sanction and the new data adjustment is successful and the revised cohort default rate is below the sanction level, the Department will withdraw that sanction notice. If the school was notified that it was subject to sanction and the new data adjustment is unsuccessful or if the new data adjustment is successful but the revised cohort default rate remains above the sanction level, and the school has no other outstanding appeals and adjustments, the Department will notify the school of the effective date of that sanction.

A school that submits an adjustment and/or an appeal but fails to avoid sanctions is liable for certain costs associated with the Direct Loans it originated and disbursed during the adjustment and appeal process. Liabilities are not calculated for loans that were delivered or disbursed more than 45 calendar days after the school submitted its completed adjustment and/or appeal to the Department. Schools may avoid this liability if they choose not to certify or originate loans during the adjustment and appeal process.

Sample CEO Certification Letter

Coralville College

5029 Greta Avenue
Coral City, Iowa 12345-5029
1-987-654-3211

October 14, 2012

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

OPE ID 098998

Subject: Cohort FY 2010 New Data Adjustment

To Whom It May Concern:

Coralville College, OPE ID 098998, is submitting a cohort FY 2010 new data adjustment. Please see the information included in the new data adjustment case submitted via the eCDR Appeals system.

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

Thank you for your consideration

Sincerely,

Serena Rooney
President, Coralville College

The letter must include the school's OPE ID number and a statement indicating that the school is submitting a new data adjustment for the current cohort fiscal year. The letter must feature a subject line that reads "Subject: Cohort FY [insert cohort fiscal year used in the adjustment] New Data Adjustment". The school must also note if it is submitting any other adjustments or appeals. 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 a signature block showing the signer's name and job title must follow the signature.

New Data Adjustment Checklists

School to Data Manager via eCDR Appeals

Determine

- ❑ Does the loan record detail report for the official cohort default rate contain new data?

Submit to Data Manager via eCDR Appeals

- ❑ Relevant Information for each borrower challenged
- ❑ Supporting Documentation each borrower challenged
- ❑ CEO Certification Letter

Data Manager to School via eCDR Appeals Determine

- ❑ Was the school submission timely?
- ❑ 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

School to Department via eCDR Appeals

Determine

- ❑ Did the data manager agree with any of the new data adjustment allegations?
- ❑ Are there any disagrees that need to be removed prior to final submission?

Submit to Department via eCDR Appeals

- ❑ Withdrawal Notice

OR

- ❑ Relevant Information for each borrower challenged
- ❑ CEO Certification Letter