

Thirty-or-Fewer Borrowers Appeal

Chapter

4.10

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34 CFR 668.197

What is a 30-or-fewer borrowers appeal?

If a school has a total of 30 or fewer borrowers included in the three most recent cohort periods used to calculate its cohort default rates, the school is not subject to cohort default rate sanctions.

The U.S. Department of Education’s (the Department’s) Default Management will automatically determine if a school meets the criteria associated with a 30-or-fewer borrowers appeal. This initial determination will take place prior to the release of the official cohort default rates. Default Management will notify the school if it qualifies for a 30-or-fewer borrowers appeal at the same time Default Management notifies the school of its official cohort default rate.

In addition, if a school’s official cohort default rate changes because of an adjustment or appeal the school submitted, Default Management will automatically determine if the change results in the school meeting the criteria for a 30-or-fewer borrowers appeal. Figure 4.10.1 shows the time frame for a 30-or-fewer borrowers appeal.

What if a school disagrees with an initial determination by Default Management?

If a school disagrees with an initial determination by Default Management that the school is not eligible for a 30-or-fewer borrower’s appeal, the school may send a formal appeal to Default Management. The appeal should include supporting documentation showing that there were a total of 30 or fewer borrowers in the three most recent cohort periods used to calculate its cohort default rates. The school must include a certification from the school’s chief executive officer that all information is true and correct. The school must send the appeal within 30 calendar days of receiving the Department’s notice of a loss of eligibility.

Figure 4.10.1

Time Frame for Submitting a 30-or-Fewer Borrowers Appeal

