

Uncorrected Data Adjustments

Chapter

4.3

What is an uncorrected data adjustment?	<i>4.3-1</i>
Which schools are eligible to submit an uncorrected data adjustment?	<i>4.3-2</i>
What benefit will a school gain from submitting an uncorrected data adjustment?	<i>4.3-2</i>
What roles do data managers have in a school's uncorrected data adjustment?	<i>4.3-2</i>
How does a school submit an uncorrected data adjustment?	<i>4.3-3</i>
Which Department addresses does a school use for submitting an uncorrected data adjustment?	<i>4.3-6</i>
What happens after the school submits the adjustment?	<i>4.3-7</i>

Uncorrected Data Adjustments

What is an uncorrected data adjustment?

An uncorrected data adjustment is a request submitted to the U.S. Department of Education’s (the Department’s) Default Management to ensure that a school’s official cohort default rate calculation reflects changes that were correctly agreed to as a result of an incorrect data challenge that the school submitted after the release of the draft cohort default rates.

A school should submit an uncorrected data adjustment when

- ❖ it submitted a timely challenge of its draft cohort default rate data,
- ❖ the data manager reviewing the incorrect data challenge correctly agreed to make changes to the cohort default rate data, and
- ❖ the agreed upon changes are not reflected in the school’s loan record detail report for the official period.

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

Timing is critical when submitting an uncorrected data adjustment. A school must send its adjustment to Default Management within 30 calendar days of receiving the loan record detail report for the official period. Figure 4.3.1 shows the time frame for submitting an uncorrected data adjustment.

34 CFR 668.190

Figure 4.3.1

Time Frame for Submitting an Uncorrected Data Adjustment



Which schools are eligible to submit an uncorrected data adjustment?

Any postsecondary school that receives an official cohort default rate may request that Default Management adjust its official cohort default rate. This includes schools whose official cohort default rates are below 25.0 percent and schools that have officially withdrawn from the Federal Family Education Loan (FFEL) and/or William D. Ford Federal Direct Loan (Direct Loan) programs. A school can only request an adjustment of the most recent official cohort default rate data.

What benefit will a school gain from submitting an uncorrected data adjustment?

If, as a result of an uncorrected data adjustment (or as the result of a school's submission of any adjustment or appeal), Default Management determines that a school's official cohort default calculation data is incorrect, Default Management will manually recalculate the official 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 official cohort default rate is lowered below the sanction level, the school is no longer subject to sanctions. In addition, a school that would otherwise be subject to sanctions in a later year may avoid being subject to sanctions.

However, even though Default Management may revise an official cohort default rate, subsequent copies of the loan record detail report for the official period will not reflect the change. Therefore, it is important for a school to keep a copy of Default Management's final determination letter as the official record of the school's revised official cohort default rate.

What roles do data managers have in a school's uncorrected data adjustment?

Schools submit uncorrected data adjustments directly to Default Management for review and consideration. Therefore, there is no role for data managers.

If a school submits an uncorrected data adjustment to the wrong entity or address, the uncorrected data adjustment might not be reviewed and the school could miss the deadline for submitting the uncorrected data adjustment.

If a data manager receives an uncorrected data adjustment from a school, the data manager should immediately contact the school to inform it that the uncorrected data adjustment must be sent to Default Management. The data manager should also indicate that the request must be sent to Default Management within 30 calendar days of the school receiving its loan record detail report for the official period. The data manager should then notify Default Management that the data manager has contacted the school.

How does a school submit an uncorrected data adjustment?

Timing is critical when submitting an uncorrected data adjustment. A school must send its adjustment to Default Management within 30 calendar days of receiving the loan record detail report for the official period. If a school does not receive a loan record detail report for the official period, and the school believes it might have grounds for an uncorrected data adjustment, it must request the loan record detail report for the official period within 15 calendar days of receiving the official cohort default rate notification letter. See Chapter 2.3, "Loan Record Detail Report," for information on requesting a loan record detail report for the official period.

If a school believes the loan record detail report for the official period contains uncorrected data, it should submit an uncorrected data adjustment to Default Management. If a school submits an uncorrected data adjustment to the wrong entity, the adjustment will not be reviewed and the school could miss the deadline for submitting the adjustment to Default Management.

Upon receiving the loan record detail report for the official period, a school should compare the loan record detail report for the draft period to the loan record detail report for the official period and the data manager's response to the school's incorrect data challenge to determine if agreed upon changes have been made. If the school believes the loan record detail report for the official period contains uncorrected data, it should submit an uncorrected data adjustment. The school must do so within 30 calendar days of receipt of the loan record detail report for the official period. The adjustment must include the following items:



- ❖ A completed uncorrected data adjustment spreadsheet.

The spreadsheet should list the uncorrected data that the data manager agreed to change in its incorrect data challenge response. Figure 4.3.2 is a sample uncorrected data adjustment spreadsheet. See the blank spreadsheet and the instructions for creating and completing the spreadsheet in the “Uncorrected Data Adjustment Tools” section of Chapter 4.11, “Challenge, Adjustment, and Appeal Tools.” A school may photocopy and use the blank spreadsheet when submitting an uncorrected data adjustment or create its own spreadsheet using the layout provided.

Figure 4.3.2

Sample School
Uncorrected Data
Adjustment Spreadsheet
to Default Management

School Name: Coralville College OPE ID: 998998 Number of Borrowers: 1 Number of Loans: 2				FY 2002 Uncorrected Data Adjustment		
	A	B	C	D	E	F
1	Borrower's SSN	Borrower's Name	Type of Loans	Number of Loans	Date Data Manager Acknowledged Incorrect Data Error (MM/DD/CCYY)	Data Manager Code
2	444-44-4444	Thorkelson, Peter	D1	1	05/05/2004	101
3	444-44-4444	Thorkelson, Peter	D2	1	05/05/2004	101
4						
5						

Date 10/14/2004 Page 1 of 1

- ❖ A copy of the data manager’s response to the school’s incorrect data challenge.

The school should include copies of the incorrect data challenge responses the school received during the draft period from the relevant data managers that show that the data manager agreed to the changes.

- ❖ A letter on the school’s letterhead.

The letter should include the school’s OPE ID number and a statement indicating that the school is submitting an uncorrected data adjustment for the current year. The letter should feature a subject line that reads “Subject: FY [insert fiscal year used in the adjustment] Uncorrected Data Adjustment.” The school should also note if it is submitting any other adjustments or appeals. The letter should also include a notation that the school is sending a copy of the letter and the spreadsheet to the relevant data managers. The school’s President/CEO/Owner should sign the letter, and the signature should be followed by a signature block showing the signer’s name and job title. Figure 4.3.3 is a sample uncorrected data adjustment letter.

Figure 4.3.3 - Sample School Uncorrected Data Adjustment Letter to Default Management

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

October 14, 2004

U.S. Department of Education
Default Management
ATTN: Uncorrected Data Adjustment
Portals Building, Room 6300
400 Maryland Avenue, SW
Washington, DC 20202-5353

OPE ID#998998

Subject: FY 2002 Uncorrected Data Adjustment

To Whom It May Concern:

Coralville College, OPE ID#998998, is submitting a FY 2002 uncorrected data adjustment. Please see the enclosed spreadsheet and a copy of the incorrect data response from the data manager stating that a change is warranted.

Coralville College is submitting its uncorrected data adjustment at this time; however, the school is also planning on timely submitting an economically disadvantaged appeal.

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

Enclosures

cc: Direct Loan Servicer

If the school does not submit the adjustment in a timely manner, Default Management will not review the adjustment and will return all adjustment materials to the school.

Which Department addresses does a school use for submitting an uncorrected data adjustment?

The school must send the adjustment materials to Default Management via commercial courier or the U.S. Postal Service. Default Management will not accept any adjustment correspondence by facsimile (fax) or e-mail. If sent by commercial overnight mail/courier delivery, the address is

U.S. Department of Education
 Default Management
 ATTN: Uncorrected Data Adjustment
 Portals Building, Room 6300
 1250 Maryland Avenue, SW
 Washington, DC 20024

If sent by U.S. Postal Service, the address is

U.S. Department of Education
 Default Management
 ATTN: Uncorrected Data Adjustment
 Portals Building, Room 6300
 400 Maryland Avenue, SW
 Washington, DC 20202-5353

A school should not send uncorrected data adjustment materials to any other addresses at the Department.

Default Management recommends that a school send all adjustment correspondence return receipt requested or via commercial overnight mail/courier delivery. This will be useful to a school if it is asked to authenticate the timeliness of its adjustment. A school should maintain the documentation that verifies the receipt of the adjustment as well as all documentation submitted as a part of the adjustment process. If a school does not meet the 30 calendar day time frame for submitting an uncorrected data adjustment, the adjustment will not be reviewed.



What happens after the school submits the adjustment?

Default Management will review only the information submitted with the uncorrected data adjustment and will not review information submitted after the deadline. Default Management will send the school and each involved data manager written notification of Default Management's decision. Default Management's decision is final and no further administrative review is provided.

Default Management is responsible for determining whether a data manager correctly agreed to make a change to a school's cohort default rate data during the incorrect data challenge process and whether the change is reflected in the loan record detail report for the official period. If Default Management so determines using the standard of review described in 34 CFR 668.189(f), Default Management will recalculate the school's official cohort default rate based on the correct data and notify the school of the revised official cohort default rate.

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

If a school that is subject to loss of eligibility to participate in the FFEL and/or Direct Loan programs loses a cohort default rate adjustment or appeal, the school will be liable for certain costs associated with any FFELs the school certifies and/or any Direct Loans the school originates during a specified liability period. The liability period begins 30 calendar days after the school receives notice that it is subject to loss of eligibility and ends upon the earlier of

- ❖ the withdrawal of the adjustment or appeal,
- ❖ the resolution of the adjustment or appeal, or
- ❖ the 45th calendar day after the date the school submitted the adjustment or appeal to Default Management for review.

A school may avoid a liability associated with an unsuccessful cohort default rate adjustment or appeal if the school chooses not to certify and/or originate loans during the liability period.