



Summary

In January 2011, we will implement enhancements to the National Student Loan Data System (NSLDS) Cohort Default Rate (CDR) process. The Loan Record Detail Report (LRDR) layout, supporting new and past calculations, will be changed to provide institutions with additional data that will aid in researching their rates. The new data will increase the length of the LRDR extract file. These enhancements, as well as the NSLDS transition to the three-year default monitoring period, are described in the Newsletter.

The Higher Education Opportunity Act (HEOA), enacted on August 14, 2008, provides that, beginning with the 2009 cohort, the default monitoring period for CDR calculations is increased to three years. The first of the three-year monitoring rates, the 2009 cohort, will be released during 2012. Under the HEOA, institutional sanctions for high cohort default rates based on three-year monitoring rates will not be applied until three, three-year rates have been calculated and published. This will occur with the publication in September 2014 of the third three-year monitoring rate, the 2011 cohort. Until that time both two-year monitoring and three-year monitoring CDRs will be calculated.

The implementation of the three-year rate will not change the overall CDR process, including the delivery of the electronic cohort default rate (eCDR) notification package, using the Student Aid Internet Gateway (SAIG).

As noted, the first official three-year CDR will not be published until 2012. Early in 2011 we will calculate and publish a “trial” three-year draft rate for the 2008 cohort now that such a rate can be calculated. A “trial” three-year official rate will be calculated and published later in 2011. The purpose of this trial rate is to provide institutions with information that will assist them in assessing the impact of the new three-year monitoring period on their actual rates when first published in 2012. Upcoming announcements will communicate the calculation and publication dates for the three-year “trial” draft rate and three-year “trial” official rate in 2011.

IMPORTANT: CDR “Challenges,” “Adjustments,” and “Appeals” processes are not applicable to the 2008 trial rate since there are no sanctions applicable to those rates.

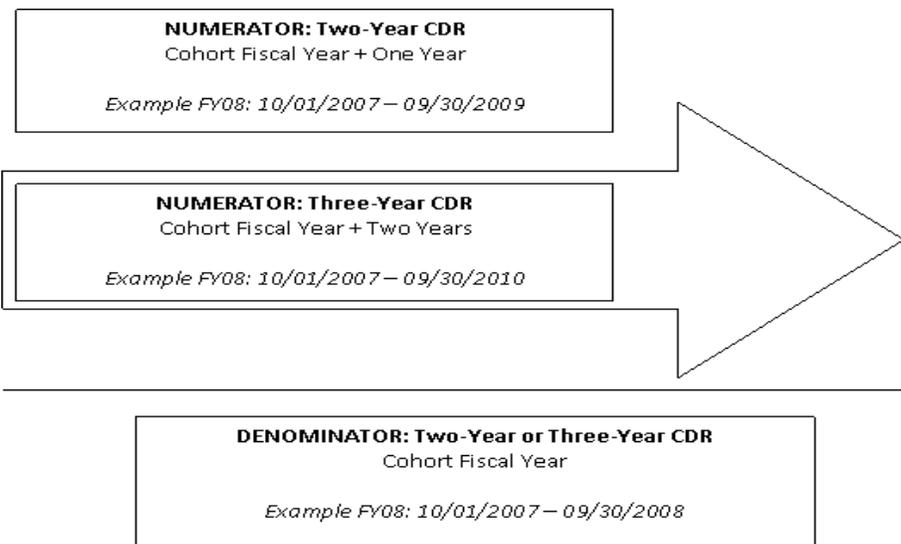
We will also enhance the [NSLDS Professional Access Web site](#) to allow users to view their own institution’s three-year draft and official CDRs and to request the LRDR.

Cohort Default Rate Calculation Modifications

The NSLDS CDR process was modified to incorporate the addition of the three-year rate calculation and publication for all institutions which includes the new lender servicers and federal servicers CDR.

Calculation

The calculation of a two-year CDR has as its denominator the number of borrowers who entered repayment in the federal fiscal year for which the CDR is being calculated. The numerator includes the number of borrowers from the denominator who defaulted in the same fiscal year or in the following federal fiscal year. The new three-year rate calculation will use the same determination for the denominator but will expand the numerator to include the number of borrowers from the denominator who defaulted in the same fiscal year or the following **two** federal fiscal years. The illustration below provides an example of the current two-year and the new three-year CDR compositions.



Publication of CDR

We will modify NSLDS to calculate the three-year period CDR for schools beginning with trial draft and trial official rates for Cohort Year 2008 and draft and official rates through the transition period for Cohort Years 2009, 2010, and 2011. The two-year draft and official CDRs will continue to be calculated through September 2013. The three-year trial rates are to be used as a preview of how the new mandate will impact institutions' rates. There will be **no** benefits or sanctions based on the three-year trial rates.

The following chart illustrates the timeframes for two-year and three-year CDRs.

Two-Year CDR			
CDR	Denominator: Repayment Period	Numerator: Repayment Period	Publish 2-Year Rates (Draft/Official)
FY 2009	10/01/2008 - 09/30/2009	10/01/2008 - 09/30/2010	February/September 2011
FY 2010	10/01/2009 - 09/30/2010	10/01/2009 - 09/30/2011	February/September 2012
FY 2011	10/01/2010 - 09/30/2011	10/01/2010 - 09/30/2012	February/September 2013

Three-Year CDR			
CDR	Denominator: Repayment Period	Numerator: Repayment Period	Publish 3-Year Rates (Draft/Official)
FY 2008 (Trial Draft/ Trial Official)	10/01/2007 - 09/30/2008	10/01/2007 - 09/30/2010	February/September 2011
FY 2009	10/01/2008 - 09/30/2009	10/01/2008 - 09/30/2011	February/September 2012
FY 2010	10/01/2009 - 09/30/2010	10/01/2009 - 09/30/2012	February/September 2013
FY 2011	10/01/2010 - 09/30/2011	10/01/2010 - 09/30/2013	February/September 2014

Lender Servicer and Federal Loan Servicer Calculations

We will modify NSLDS to calculate CDRs for Federal Family Education Loan (FFEL) lender servicers and the federal loan servicers for both two-year and three-year default monitoring periods. School users can currently view official rates for other schools, lenders and guaranty agencies (GAs). With these modifications, school users will also be able to view the official CDRs for lender servicers and the federal loan servicers.

Updates to the Loan Record Detail Report

School Cohort Default Rate History Report Layout (DRC035) Updates

To assist institutions in verifying the accuracy of the data used to calculate the draft or official rates and to research the loan records used in the calculation, updates have been made to the Loan Record Detail Report (LRDR) header, detail, and trailer records for extract requests. The modifications to the LRDR layout have increased the record length of the extract file. The updates will impact all LRDR extract requests submitted for current and/or past cohort years. The modified extract file layout will be effective January 31, 2011.

School Repayment Information Loan Record Detail Report Layouts (DRC015 and DRC016)

The School Repayment Information Loan Record Detail Report layouts that support the Repayment Information calculated monthly are also being modified to assist in research of loan records used in the monthly calculation. The updates will impact all LRDR extract requests submitted on or after January 31, 2011.

Report Updates:

The updates to these three reports include the following changes:

- The LRDR layout length has increased from 335 to 375.
- The header record now specifies whether the loan data supports a two-year or three-year rate and whether it is a draft or official rate.
- The detail record now includes the **Award ID** (Unique Loan Identifier), **Current Lender Servicer or Federal Servicer**, and the **Consolidation Indicator**. The Consolidation Indicator will assist in identifying a consolidation loan and the underlying loans included in the report.
- The **Outstanding Principal Balance (OPB)** field in the detail and trailer records has been replaced by the **Outstanding Principal Balance At Time of Repayment** and **Outstanding Principal Balance At Time of Default** fields. In addition, fields for **Outstanding Interest Balance at Time of Repayment** and **Outstanding Interest Balance at Time of Default** have been added. In the trailer record these amounts are separated by loan program type.

IMPORTANT: Prior to requesting an LRDR please review the updated record layouts as the length has increased to include the addition of the new fields.

The updated extract file layouts are available on the [NSLDS Record Layouts page of the Information for Financial Aid Professionals \(IFAP\) Web site](#) for the following NSLDS reports:

- Report ID: DRC035 – School Cohort Default Rate History Report Layout
- Report ID: DRC015 – 24-Month School Repayment Information Loan Record Detail Report
- Report ID: DRC016 – 36-Month School Repayment Information Loan Record Detail Report

Enhancements to NSLDS Professional Access Web Site

The enhancements to the [NSLDS Professional Access Web site](#) will allow users to view their own institution's three-year draft and official CDRs and request the LRDR to support the rate. The user will also be able to view the three-year official CDR for other institutions, including lender servicers and the federal loan servicers. These enhancements are described below:

School Cohort Default Rate Link

Access the Cohort Default Rate link from the ORG Tab on the [NSLDS Professional Access Web site](#). The Rate Type column will be expanded to display descriptions for the two-year (2YR) and three-year (3YR) draft and official rates, as well as for the three-year trial rate (3YR TRIAL). An "O" or "D" following the "3YR TRIAL" description indicates whether the rate is official or draft.

In the Type drop-down menu, the option to select lender servicer (Lender Branch Servicer) and federal loan servicer (ED Servicer) will be added. The user will only be able to view other organizations' official CDRs.

START HERE GO FURTHER FEDERAL STUDENT AID National Student Loan Data System (NSLDS)

Menu Aid Enroll Org Report Tran

Org Contact List | Org Search | Data Provider Schedule | Repayment Information | **Cohort Default Rate** | School Profile

Type: --- Select --- Code: Name: Retrieve

--- Select ---
 GUARANTY AGENCY
 LENDER
 LENDER BRANCH SERVICER
 SCHOOL
 ED SERVICER

Name: UNIVERSITY OF CALIFORNIA, SANTA CRUZ
 Code: 00132100 Type: School
 Status: OPEN
 Address: 1156 HIGH STREET
 SANTA CRUZ, CA 950640001

Cohort Default Rate History List

Fiscal Year	Rate Type	Program Type	Numerator	Denominator	Rate	Process Date
2010	2YR OFFICIAL		0	0	0	07/30/2012
	2YR DRAFT		0	0	0	01/15/2012
2009	2YR OFFICIAL		0	0	0	07/30/2011
	2YR DRAFT		0	0	0	01/15/2011
2008	3YR OFFICIAL		0	0	0	07/30/2012
	3YR DRAFT		0	0	0	01/15/2012
2008	2YR DRAFT		0	0	0	01/05/2010
	2YR OFFICIAL		0	0	0	08/02/2010
	3YR TRIAL-O		0	0	0	07/30/2011
	3YR TRIAL-D		0	0	0	01/15/2011

The Cohort Default rates listed above may not reflect changes that have resulted from the Cohort Default rate challenge/adjustment/appeal processes.

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School Cohort Default Rate History Report Page (DRC035)

The DRC035 report request page, found on the Report tab, will be modified to show the two-year and three-year rates, and the three-year trial rates with the modified Rate Type descriptions. The report requests for the three-year rates will be processed and delivered the same as is currently being done for the two-year rates.

The screenshot displays the NSLDS interface for the DRC035 report. At the top, there is a header with the NSLDS logo and the text "START HERE GO FURTHER FEDERAL STUDENT AID" and "National Student Loan Data System (NSLDS)". Below the header are navigation tabs: Menu, Aid, Enroll, Org, Report, and Tran. The user is logged in as "SCTST12 ONLINE SCHOOL TESTING from UNIVERSITY OF CALIFORNIA, SANTA CRUZ".

The report parameters section shows:

- ID: DRC035
- Type: --Select--
- Name: SCHOOL COHORT DEFAULT RATE HIST RPT
- School: 001321
- Sort By: --Select--
- Output Medium: SAIG

The main section is titled "Cohort Default Rate History List" and contains a table with the following data:

Select	Fiscal Year	Rate Type	Program Type	Numerator	Denominator	Rate	Process Date
<input type="checkbox"/>	2010	2YR OFFICIAL		0	0	0	07/30/2012
<input type="checkbox"/>		2YR DRAFT		0	0	0	01/15/2012
<input type="checkbox"/>	2009	2YR OFFICIAL		0	0	0	07/30/2011
<input type="checkbox"/>		2YR DRAFT		0	0	0	01/15/2011
		3YR OFFICIAL		0	0	0	07/30/2012
		3YR DRAFT		0	0	0	01/15/2012
<input type="checkbox"/>	2008	2YR DRAFT		0	0	0	01/05/2010
<input type="checkbox"/>		2YR OFFICIAL		0	0	0	08/02/2010
<input type="checkbox"/>		3YR TRIAL-O		0	0	0	07/30/2011
<input type="checkbox"/>		3YR TRIAL-D		0	0	0	01/15/2011

A blue arrow labeled "New Rate Type Descriptions" points to the rows for 3YR OFFICIAL and 3YR DRAFT. Below the table is a "Submit" button and a disclaimer: "The Cohort Default rates listed above may not reflect changes that have resulted from the Cohort Default rate challenge/adjustment/appeal process."

At the bottom of the page, there is a footer with "PRIVACY ACT OF 1974 (AS AMENDED)" and links for FOIA, Privacy, Security, and Notices, along with "WhiteHouse.gov | USA.gov | ED.gov".

Repayment Information Page

The Repayment Information Page, found on the ORG tab, will be modified to include the addition of the 36-month monitoring period for the Numerator Date Range and the supporting report can be requested separately via the new buttons for a 24-month or 36-month Loan Record Detail Report for the latest month. The 24-month (DRC015) and 36-month (DRC016) Loan Record Detail Reports requested on or after January 31, 2011 will be in the updated Loan Record Detail Report extract file layout.



Type: Code: Name:

Logged on as: SCTST12 ONLINE SCHOOL TESTING from [UNIVERSITY OF CALIFORNIA, SANTA CRUZ](#)

Name: UNIVERSITY OF CALIFORNIA, SANTA CRUZ
Code: 00132100 Type: School
Status: OPEN
Address: 1156 HIGH STREET
SANTA CRUZ, CA 950640001

Repayment Information



The following information reflects the current repayment status of certain borrowers in FFEL and Direct loan programs who attended a school during a specific period. This information has no relationship to the calculation of draft or official cohort default rates for a school and will not be used in that process. This data is provided solely for informational purposes and may not be used in any administrative procedure. The information reported is based on information provided by the Guaranty Agency that guaranteed the loan or by the Direct loan Servicer.

	Numerator Date Range	Denominator Date Range	FFEL Num	FFEL Denom	%	DL Num	DL Denom	%	Dual Num	Dual Denom	%	Date Processed
1	08/2008-07/2010	08/2008-07/2009	0	0	0.0	0	0	0.0	0	0	0.0	07/31/2010
2	08/2008-07/2010	08/2008-07/2009	0	0	0.0	0	0	0.0	0	0	0.0	07/31/2010

[PRIVACY ACT OF 1974 \(AS AMENDED\)](#)

Customer Support Reminder

The [Default Prevention and Management](#) Web site provides default-related information, references, resources, and contact information. The [Cohort Default Rate Guide](#) can be accessed on this Web site.

Please remember to keep your [NSLDS Professional Access Web site](#) ORG contacts current and always list at least a Primary Contact for your organization.

The NSLDS Customer Support Center at 800/999-8219 is available Monday through Friday from 8:00 A.M. to 9:00 P.M. (ET). You may also contact Customer Support by e-mail at nslds@ed.gov. Callers in locations without access to 800 numbers may call 785/838-2141 (this is not a toll free number).