

UNITED STATES DEPARTMENT OF EDUCATION  
WASHINGTON, D.C. 20202  
September 2017

NOSSI COLLEGE OF ART  
025782  
590 CHERON ROAD  
4.9  
NASHVILLE, TN 37115-5138

OPE ID:  
FY 2014 Official 3 Year Cohort  
Default Rate:  
Eligible For Benefits

RE: FY 2014 Official Cohort Default Rate Notification Letter

Dear President:

This letter officially notifies you of your school's fiscal year (FY) 2014 cohort default rate based on Federal Family Education Loan (FFEL) Program and/or William D. Ford Federal Direct Loan (Direct Loan)

Program loans made to students for attendance at your school. Your school's FY 2014 cohort default rate is shown above. Please note

that even if your school is no longer participating in the student loan program(s), federal law requires the Department to notify your school of its cohort default rate.

Since the Department is no longer mailing hardcopies of the cohort default rate notification letters to any schools, please refer to <http://www.ed.gov/offices/OSFAP/defaultmanagement/ecdr.html> for a description of the other files that the Department transmitted to you along with this letter.

WHAT FORMULA DID THE DEPARTMENT USE TO CALCULATE MY SCHOOL'S RATE?

The Department uses one of three methods for calculation of cohort default rates:

1. Official non-averaged rate for schools with 30 or more borrowers entering repayment,
2. Official averaged rate for schools with 29 or fewer borrowers entering repayment,
3. Unofficial rate for schools with 29 or fewer borrowers entering repayment with less than three years of data.

For a complete explanation of the types of rates, please see

Chapter 2.1 of the Cohort Default Rate Guide, How the Rates are Calculated, available at <http://ifap.ed.gov/DefaultManagement/guide/CDRGuidePart2.html>.

#### WHAT TYPES OF LOANS DID THE DEPARTMENT INCLUDE IN MY SCHOOL'S RATE CALCULATION?

The Department included three types of loans in your school's cohort default rate calculation:

- (1) Federal Stafford Subsidized and Federal Stafford Unsubsidized Loans
- (2) Federal Direct Subsidized and Federal Direct Unsubsidized Loans
- (3) Federal Supplemental Loans for Students (Federal SLS Loans). Although rare, it is possible for Federal SLS loans to be included in your school's cohort default rate calculation.

#### WHAT LOAN RECORD DETAIL REPORT (LRDR) ACCOMPANIES THIS NOTIFICATION LETTER?

Your school's FY 2014 official cohort default rate may be a non-averaged rate, an averaged rate, or an Unofficial rate (less than 30 borrowers entering repayment and not two years of previous data needed to calculate an averaged rate). Accordingly, the LRDR that accompanies this letter reflects all loans that went into repayment during FY 2014 and defaulted by September 30, 2016.

Please note that if a technical problem caused by the Department results in an inability to access the data, schools have five business days from the receipt of the eCDR notification package to notify Operations Performance Division at the email address given below. All schools must meet the established submission timeframes for cohort default rate adjustments and appeals. The Department will not review adjustments and appeals that any school submits outside of the established timeframes.

For more information on how to read the loan record detail report, please refer to Chapter 2.3 of the Cohort Default Rate Guide, Reviewing the Loan Record Detail Report, available at <http://ifap.ed.gov/DefaultManagement/guide/CDRGuidePart2.html>

## ARE THERE ANY SANCTIONS OR BENEFITS ASSOCIATED WITH MY RATE?

According to the Higher Education Act of 1965 (HEA), as amended, the Higher Education Reconciliation Act of 2005 (HERA), Pub.L.109-171 and the Department's regulations, your school is not subject to any sanctions based on your school's FY 2014 cohort default rate.

## WHAT BENEFITS ARE ASSOCIATED WITH MY RATES

Institutions with a cohort default rate of less than 15.0 percent for each of the three most recent fiscal years for which data are available, including eligible foreign institutions, may disburse, in a single installment, loans that are made for one semester, one trimester, one quarter, or a four-month period. Such an institution is also no longer required to delay the delivery or disbursement of the first disbursement of a loan for 30 days for first-time, first-year undergraduate borrowers.

Additionally, if your school's recent official cohort default rate is less than 5.0 percent and if your school is an eligible home institution that certifies/originates a loan to cover the cost of attendance in a study abroad program, your school may disburse/deliver loan proceeds in a single installment and may choose to release loan proceeds to first-year, first-time borrowers prior to 30 calendar days after the first day of the borrower's program of study. Once your school receives notice from the Department that your school's official cohort default rate is 5.0 percent or greater, this benefit will end within 30 calendar days of the notification.

For more information on the sanctions and the benefits associated with official cohort default rates, please refer to Chapter 2.4 of the Cohort Default Rate Guide, Cohort Default Rate Effects, available at <https://ifap.ed.gov/DefaultManagement/guide/CDRGuidePart2.html>

## WILL MY RATE BE CALCULATED THE SAME IF MY SCHOOL HAS MERGED WITH ANOTHER?

The FY 2014 cohort default rate for institutions involved in a

merger or change of affiliation will be based on all borrowers from the parent and the underlying institutions which have borrowers that entered repayment during or after 2014.

#### WHAT RIGHTS DOES MY SCHOOL HAVE TO APPEAL THIS RATE INFORMATION?

Based on your school's FY 2014 year cohort default rate, your school may be eligible to submit the following adjustments/appeals:

##### Uncorrected Data Adjustment

<http://ifap.ed.gov/DefaultManagement/guide/CDRGuidePart4.html>

##### Loan Servicing Appeal

<http://ifap.ed.gov/DefaultManagement/guide/CDRGuidePart4.html>

##### New Data Adjustment

<http://ifap.ed.gov/DefaultManagement/guide/CDRGuidePart4.html>

##### Participation Rate Index Appeal

<http://ifap.ed.gov/DefaultManagement/guide/CDRGuidePart4.html>

#### All Uncorrected Data Adjustments, New Data Adjustments and Loan Servicing

Appeals must be made through the eCDR Appeals application at <https://ecdrappeals.ed.gov/ecdra/index.html>. Participation Rate Index Appeal will continue to be submitted via hard copy. The eCDR Appeals application, as it is known, allows schools to electronically submit certain challenge/ adjustment requests during the specified timeframes and

allows data managers (guaranty agency or Federal Loan Servicer) and Federal Student Aid (FSA) personnel to electronically view and respond to

these challenge/adjustment requests. The application tracks the entire

life cycle of each request from the time the case is submitted until the

time a decision is made and the case is closed.

It has come to FSA's attention that a number of schools are challenging

data in the school's cohort default rate based on an incorrect understanding of the cohort default rate calculation. This results in an

unnecessary increase in the workload for the schools, data managers, and

FSA. The following are some scenarios that have been noted, along with

an explanation of why these allegations are considered invalid based on the current logic for the cohort default rate calculation.

- School requests that borrower be removed from numerator as borrower defaulted, then paid the loan in full (either through consolidation or another method). Borrower will continue to be counted as a defaulted borrower for cohort default rate purposes. Current regulations only allow for a defaulted loan to be removed from default for cohort default rate purposes if the borrower successfully rehabilitated the loan within the cohort period, or, for FFELs held by a guaranty agency, if the lender repurchased the loan due to the claim being submitted or paid in error. See 34 CFR Section 668.202(c)(2).
- School alleges that borrower be removed from numerator due to an incorrect date entered repayment that is resulting in the default date for the borrower being less than 360 days from the corrected date entered repayment. This allegation type applies to Direct Loans or loans that were PUT to the Department only, since FFELs held by a guaranty agency use the claim paid date as the default date, not the 360th day of delinquency. If a data manager agrees to correct the date entered repayment, they will update the default date to the 360th day of delinquency based on the new date entered repayment. However, if the updated date entered repayment and default date still fall within the cohort period, the borrower will continue to be counted in both the numerator/denominator. If the updated date entered repayment causes the updated default date to fall outside of the cohort period, borrower will be removed from the numerator only. If the updated date entered repayment falls outside of the cohort period, borrower will be removed from both the numerator/denominator.
- Borrower is included in more than one cohort year. This may be correct, based upon the situation. If the borrower had a break in enrollment of greater than six months, then the borrower will enter repayment on the loans from the first period of enrollment six months and one day after the borrower's last date of attendance (LDA) or less than half-time date (LTHT), then will receive another six month grace period based on the LDA or LTHT date of the second period of enrollment. This may result in the borrower being included in more than one cohort year. If the borrower's break in enrollment was less than six months, this is considered continuous enrollment and the borrower should be in only one cohort year.
- School was involved in a change of affiliation/merger and has borrowers counted more than once in the cohort default rate. A borrower may be counted more than once in the school's cohort default rate if the borrower had loans certified under two or more

of the OPE-IDs that were involved in the change of affiliation/merger. Please see page 2.5-2 of the CDR Guide.

If a school has any questions regarding the cohort default rate calculation, Chapter 2.1 of the CDR Guide includes a thorough explanation of how the rates are calculated. Additionally, a school involved in a change of affiliation/merger should read Chapter 2.5 of the CDR Guide for an explanation of how the change of affiliation/merger will affect the cohort default rates of all of the schools involved.

WHAT TOOLS AND INFORMATION ARE AVAILABLE TO HELP MONITOR AND MANAGE MY SCHOOL'S COHORT DEFAULT RATE?

Tools Information	Description	Contact Information
Cohort printed Default Guide Rate Guide	<a href="http://ifap.ed.gov/DefaultManagement/finalcdrg.html">http://ifap.ed.gov/DefaultManagement/finalcdrg.html</a> . Reference tool designed by U.S. Dept. of Education to help schools understand cohort default rates and various challenge/appeal/adjustment processes. The electronic version was revised September 2017 and may be found online.	May be from CDR link
Default Management Website	<a href="http://ifap.ed.gov/DefaultManagement/DefaultManagement.html">http://ifap.ed.gov/DefaultManagement/DefaultManagement.html</a> . Contains valuable information for schools, guaranty agencies and borrowers. Contains link for eCDR process, including enrollment procedures and downloading instructions.	Operations Performance Division 202-377-4259

--		-----
eCDR	Electronic Cohort Default Rate Appeals	Operations
Appeals	Process	Performance
		Division
	eCDR Appeals facilitates the exchange of	202-377-4259
	information between parties for four of the	
	challenge/adjustment processes: Incorrect	
	Data Challenge (IDC), Loan Servicing	
	Appeals (LSA), Uncorrected Data	
	Adjustments(UDA), and New Data Adjustments	
	(NDA). The application allows schools to	
	electronically submit these challenges and	
	adjustment requests during a cohort default	
	rate cycle, and allows data managers	
	(guaranty agency or Direct Loan Servicer)	
	and Federal Student Aid (FSA) personnel to	
	electronically view and respond to	
	challenges and adjustment requests. The	
	application tracks the entire life cycle of	
	each challenge/adjustment/appeal request	
	from the time the case is submitted until	
	the time a decision is made and the case is	
	closed.	
	All users must complete the registration	



| | default/repayment during the cohort period indicated.

-----|-----|

| | Enrollment Reporting Summary Report provides school users  
| |SCHER1| with the chronology of enrollment reporting events.

-----|-----|

| | Date Entered Repayment Report provides school users with a  
| |DER001|list of student borrowers with loan history who are  
| | scheduled to go into repayment during a specified date  
| | range.

-----|-----|

| | School Repayment Information Loan Detail provides school  
| |DRC016|users with the current repayment status of certain  
| |DRC017|borrowers in FFEL/DL loan programs who attended a school  
| | during a specific period.

-----|-----|

| | Exit Counseling Report provides school users with exit  
| |SCH01B|counseling information on students who attended the  
| | requesting schools and whose anticipated completion dates  
| | fall within a specified date range.

-----|-----|

| | The Delinquent Borrower Report provides School  
| |DELQ01|users a report of borrowers who have been reported as  
| |DELQ03|delinquent in making loan payments to one of the federal

```
|| |
| | | loan servicers.
|| |
|-----|-----|-----|-----|-----|-----|-----|-----|-----|
| | | The School Portfolio Report (SCHPR1) provides ED users
with|| |
| |SCHPR1|information about all Direct Loan and/or FFEL program
loans|| |
| | | for a specified school.
|| |
|-|-----|-----|-----|-----|-----|-----|-----|-----|-----|
|-|
```

Additional tools and information may be found in Chapter 3.2 of the Cohort Default Rate Guide, Monitoring Loan Repayment Status Year-Round, available at <http://ifap.ed.gov/DefaultManagement/guide/CDRGuidePart3.html>

If you have any questions about this letter that are not answered in the Cohort Default Rate Guide, please contact Operations Performance Division, formerly Default Prevention and Management via email at [FSA.Schools.Default.Management@ed.gov](mailto:FSA.Schools.Default.Management@ed.gov) or via phone at (202) 377-4259.

Please be sure to include your Office of Postsecondary Education Identification Number (OPE ID) on all correspondence, as shown on page one of this letter.

Sincerely,

Katrina Turner  
Service Director  
Operations Performance Management Services  
Business Operations