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Subject: Recalculated FY 2008 Unofficial Trial Three-Year Cohort Default Rates

In [a February 4, 2011 Electronic Announcement posted on the Information for Financial Aid Professional \(IFAP\) Web site](#), the Department of Education (the Department) communicated that it had calculated and made available to schools unofficial trial three-year Cohort Default Rates (CDRs) for fiscal year (FY) 2008.

These rates were provided for information only. No benefits or sanctions apply to these trial rates. In addition, because these are unofficial rates and serve as preview data only, institutions may not submit challenges or appeals that normally apply to draft and official rates. Additionally, these rates do not reflect certain adjustments that may be made for official rates (fewer than 30 borrowers in a cohort, low participation, mergers, recalculations due to appeals/adjustments, etc.). The calculation and release of these trial rates is simply to assist institutions in preparing for the upcoming release of the official three-year FY 2009 CDRs next year.

As previously explained, the statutory change to the monitoring timelines used in the calculation of an entity's trial CDR represents a one-year extension of the current default monitoring period. In the case of the FY 2008 unofficial trial three-year CDRs, the rate is a percentage of the entity's borrowers who entered repayment between October 1, 2007 and September 30, 2008, who subsequently defaulted on or before September 30, 2010.

After calculating the FY 2008 unofficial trial three-year CDRs in February, we discovered an issue that affected our calculation of those rates. Specifically, we inadvertently included loans on which borrowers defaulted after the September 30, 2010 end date. The additional loans were incorrectly included in the numerator of the trial CDR calculation. As a result, in some cases, a school's trial rate was incorrectly inflated.

We appreciate the community's assistance in bringing this issue to our attention and regret any inconvenience it may have caused.

We have corrected the trial three-year CDR calculation code and recalculated [...ed.gov/.../042111RecalculatedFY200...](#)

the FY 2008 unofficial trial three-year CDRs for all institutions.

Institutions may immediately access their trial FY 2005 through FY 2008 CDRs and request a Loan Record Detail Report (LRDR) for each calculation using NSLDS at www.nsldsfap.ed.gov. Institutions will also be able to compare their trial rates with their official two-year rates for the relevant cohort years. To see the trial rate an institution should choose the "Org" tab on the [NSLDS Professional Access Web site](#) homepage, select the "Cohort Default Rate" link from the sub-menu at the top of the screen and look for the row labeled "3-Year Trial." Use the Request Loan Details box to access the backup information. These trial rates will also be posted publicly on the Federal Student Aid Data Center at www.FSADataCenter.ed.gov.

Contact Information

If you have questions about your corrected FY 2008 unofficial trial three-year CDR, contact the Operations Performance Division at 202/377-4259. You may also e-mail FSA.Schools.Default.Management@ed.gov.

If you have questions about accessing your corrected FY 2008 unofficial trial three-year CDR via the [NSLDS Professional Access Web site](#) or about the LRDR, contact the NSLDS Customer Support Center at 800/999-8219. You may also e-mail nslds@ed.gov.