Today we will be discussing cohort default rates for schools. There is a lot going on in the industry and we wanted to basically bring you up to speed on not only regulatory changes but also some operational items, so with us today is Marty Guthrie, who represents the Office of Postsecondary Education, who will give you a policy overview of the changes and from my team is Frances Robinson and Donna Bellflower, who will be providing an operational overview of the program. We ask that after the session if you have a question please step up to the mic. We are recording this session, and we want to be able to capture all the questions and answers. We also would like to let you know that we also have representatives in the PC Lab that are at your beck and call. If you have any questions about your cohort default rate, about ECDR appeals, we have representatives here on site that can walk you through whatever questions, show your our default management on-line, and all the things that we have to offer, all of the reports also that are offered to you in NSLDS, so please don't let this session be the end of your conversations or questions, if you have any, because we are available for you in the PC Lab. So to begin this session, I will begin with Marty Guthrie.

[MARTY GUTHRIE:] Good afternoon, as Katrina indicated, I am Marty Guthrie. I work with the Office of Postsecondary Education, and I am pleased to welcome to you today to this session on cohort default rates. I am going to start things off with a policy perspective, and then turn it over to my colleagues from Federal Student Aid to talk about the operational side of things, so let's get started.

As background, the Higher Education Opportunity Act was signed into law on August 14, 2008, and this was a long awaited reauthorization of the Higher Education Act of 1965 and contains significant changes for the Title IV programs and for our participating institutions. Many provisions in the law were effective immediately upon enactment; others required regulation. As you know, the department is required to consult with members of the public before issuing regulations that would clarify or implement provisions of the law. To implement the cohort default rate provisions, we conducted a series of negotiated rule-making sessions with representatives from the various sectors of higher education. These sessions were conducted between February and May 2009. On July 28 we published a notice of proposed rule making that dealt with the cohort default rate provisions. This was followed by a 30-day comment period requesting comments on the regulatory language. The comments were read, and then the discussion of the comments is included in the final regulation that was published on October 28.

The Higher Education Opportunity Act made some significant changes to the FFEL and Direct Loan cohort default rate provisions, which I will briefly review for you now. As you know, the calculation is changed from a 2-year rate to a 3-year rate effective with the fiscal year 2009 cohort. Both rates will be calculated for fiscal years 2009, 2010, and 2011. The first time sanctions will be applied based on the 3-year rate is with the 2011 cohort rate that will be released in September 2014. The Higher Education Opportunity Act also changes the limit for successful mitigating circumstances appeals that are referred to in the regulations as economically disadvantaged appeals. If an institution files a successful mitigating circumstances appeal after 2 consecutive years of cohort default rates that equal or exceed the applicable cohort percentage, the department may not place the institution in provisional certification status based solely on the institution's cohort default rate.

Also the threshold for loss of a school's eligibility for the loan programs has been increased. It is revised from the current 25% for 3 consecutive years to 30% for 3 consecutive years. This will be effective at the point that we have published 3 years of 3-year rates. The increase of this percentage was made to take into account the expected increase in overall default rates due to the revised calculation.

Moving on, the participation rate index, which is determined by multiplying the cohort default rate by a percentage determined by dividing the number of FFEL and Direct Loan borrowers at a school by the number of regular students, is increased to 0.625 for 3-year cohort default rates. Donna will provide additional details on this later in the presentation.

Emphasizing the importance of default prevention, a school will be required to establish a default prevention task force after the first fiscal year its 3-year cohort default rate is 30% or higher. The task force must prepare a plan to identify the causes and take action to improve the rate.

Finally, because the law provides for a transition period during which sanctions will continue to be imposed on the 2-year rate, 2-year rates must be calculated until we have officially calculated rates using the 3-year method for 3 consecutive years.>This means that schools will receive 2 sets of draft and official rates for fiscal years 2009, 2010 and 2011.

This slide summarizes the effective dates for the 3-year rate calculation, the increased participation rate index standard, the threshold percentage increase, and continuing on the next page the default prevention plan requirement. The 2 slides here are slightly different from the version that was posted on our website, which stated that the mitigating circumstances appeal was effective on August 14, 2008. It actually is August 14, 2008, according to the Higher Education Opportunity Act, but it is effectively fiscal year 2014, since that is when rates will be available to support the appeals for sanctions.

I hope that has clarified things. After the conference all final PowerPoint presentations will be posted to our website, so you will be able to go to our website and print off a copy of this presentation with the adjusted dates, if you wish to do so. With that, I will turn the presentation over to my Federal Student Aid colleagues, who will talk in more detail about the school issues.

[FRANCES ROBINSON:] Good afternoon, my name is Frances Robinson, and I work with default issues for the Department of Education. Basically, as Marty has explained to you some of the policy regulations for the 3-year cohort default rates, I will just go into a little bit more detail of how we handle the operations for calculating your rates, and hopefully you may hear me say some things that she had said, but we are just trying to make sure that we get everything emphasized to you so you won't be too confused when the actual calculation comes into play. Basically, what I want to do is just to give you a preview of what has happened since the inception of cohort default rates.

As you look at the national chart ahead of you, you see that we began issuing cohort default rates for 1987, the cohort year for 1987, this was issued in fiscal year 1989, and basically it was based on borrowers entering into repayment for 1 fiscal year and the additional 2 years for them to default. This is what the calculation has been up until this point through 2007 rates, which you have just received. The cohort default rate began with a rate of 17.6% in 1987. It escalated to a high of 22.4% for 1990. From that point forward, we did have a decline up to 0.5% for the 2003 cohort period, but as you can see, and most of you have gotten your notification letters for 2007, the rate has continued to go up a little bit and we are back up to 6.7% for 2007 cohort period.

What is the cohort default rate? As I just explained, currently the cohort default rate is the percentage of a school's borrowers who have entered repayment for certain federal family educational loan, and William B. Ford Direct Loan, during a particular fiscal year, and this particular fiscal year is October 1 through September 30, and those borrowers that actually default within the next 2 fiscal years. You may refer to our cohort default rate guide for more in depth description of the cohort default rates and how they are calculated within the department.

We ask ourselves why are cohort default rates important? First of all, defaulted federal student loans cost the taxpayers a great deal of funds, a great deal of money. Also one of the tools to measure an institution's administrative capability is the cohort default rates. For that reason, we encourage all of the institutions when we send you your draft information to look over that very carefully so that any information that needs to be corrected, you can get that information corrected in NSLDS. When we issue you official rates, they will be closely to accurate as possible, so we do encourage you to look at the draft rates when we send those out in February. Based on those default rates, the department has created incentives for those schools. We have created benefits for those schools that continue to have low cohort default rates, and of course for those institutions that maintain high default rates, we still have those sanctions based on those for 2-year rates also.

We want to define what we call the extended 3-year cohort default rate. For the 3-year extended cohort default rate calculation, the calculation still uses the base borrowers in repayment that enter into repay for that 1 fiscal year; however, it adds an additional year to your defaulters, so rather than the 2-year, which we ordinarily do now, we add an additional year in the calculation. As Marty has explained, we are looking at 3 fiscal years of defaulters.

If you look at the slide ahead of you, this gives you a pretty good view of what actually happens in the calculations for the 3 years results. Of course, in blue you have your numerator and your numerator is the number of borrowers from the denominator who defaults within the cohort period. The denominator are those borrowers who enter into repayment with the cohort period. We want to look at first at FY-09; this is the first year that we will be going into the transition period before the 3-year rates are issued. FY-09 is going to be our base year. It begins with October 1, 2008, ending with September 30, 2009; this is the period of time that the borrowers would enter into repayment for 2009.

As you can see in the blue on the screen, for FY-09, which is our base, borrowers entering into repayment, we have 5000 borrowers that entered into repayment. At the end of the fiscal year there were 125 borrowers. At the end of fiscal year there are 230 borrowers, so looking at the 2-year rate, you see we have 355 borrowers to default out of the 5000 borrowers. Of course, that is 7.1%. Just below that, you'll see the same base, 5000 borrowers that entered into repayment for that same period of time. We also again pick up your fiscal year 2009, which is 125. We picked up your FY-10, which is 230, and then you'll see FY-11, which is the ending of the 3-year period for that FY-09 3-year rate, and you'll notice that we included an additional 250 borrowers that just defaulted within that FY-11 fiscal year. So this makes a total of 605 students that defaulted out of the 5000. You'll notice that the default rate went up to 12.1% so just to see versus the 2-year and the 3-year, because of the inclusion of the 3-year rate, this particular institution's rate would have gone from 7.1 to 12.1%, which is about a 5% increase.

As Marty has also explained, you will be receiving actually 4 rates when we start this process, and this beginning with the 2009 fiscal year. You are going to receive your 2009, 2010 and 2011, but for that period of time when we actually start the transition period, we are beginning with 2012. You are going to receive in fiscal year 2012, which each institution will receive, you'll receive your draft, your official 2010 2-year rate, but at that same point in time, you're also going to receive your 3-year rate for 2009, so you are going to receive 2 drafts, 2 officials for both the 2009-2010. You're actually going to have 4 systems data to look over at that period of time. This will continue up to the point in time when you actually receive 3 years of rates and at the end of fiscal year 2011, it is going to be your last 2-year rate, so you are going to be seeing like 4 sets of date for about 3 years until we actually get before until the transition period has ended.

These rates are going to be issued to you as they are issued to you now through the Student Aid Internet Gateway. You will just go in and download the information as you do now, accordingly with all the other information, and all this information will be available to your schools. We issue them to a school that is Title IV eligible, certified. It will be both for domestic and foreign institutions at this point in time.

The changes to cohort default rate: As you can see, the 2 to 3-year changes, this is only going to impact, as you saw on the screen before, it's only going to impact your defaulters. The borrowers in repayment stays the same. You are just looking at an additional year for your defaulters. The transition period, as we refer to it, this is the period of time that it takes for the department to actually calculate 3 years of rates for you to look at, so at the end of the 3-year rate, this is when all of the information will come into play, as far as the threshold being raised from 25 to 30%, and institutions would be subject to that 30% sanction.

Now one thing I want everyone to realize, you have not heard us mention in the 40.1% for the 1-year rate. This does not change for the 2-year and it does not change for the 3-year. This is what we call the 1-year greater than 40% sanction. I'm sure most of the institutions are aware of that. There was no change to that, so this 25 to 30%, the 3-year, you will still be subject to the 2-year rate, for the 2-year, all the way through for the 40.1% when you first receive that FY-09 3-year rate. If your rate is greater than 40%, this is a nonaveraged rate, you will still be subject to the sanction of loss of FFEL and Direct Loan. Now, I know that may get a little confusing to people but I have heard from several people that keep asking me so I want to emphasize this. The 40.1%, greater than 40.1%, stays in place; it does not change for the 2-year, and it does not change for the 3-year.

The transition period. Just like we have said, we are going to continue to have the 2-year sanctions all the way up to the point in time that we have 3-4 years of cohort default rates issued, so you will still be as usual. Whenever you get your rates, you will be able to challenge, be able to appeal, but the sanctions for the 25% or greater continues for the transition period if 40.1% continues for the 2-year.

The increased CDR threshold for 30%. At this point in time this is the one that 1-year from when you first receive your FY-09 3-year rate, your rate is greater than 30%. The school must establish a task force, and with his task force what it will be called, you will have to create/produce a default prevention plan. This default prevention plan is for each year that the rate is greater than 30%, if FY-09 you have greater than 30%. If FY-10 3-year you have greater than 30%, you would have to create a default prevention plan. Of course, at the end of that period when you receive 3 years of rates that are greater than 30%, that is when your institution will be sanctioned for the loss of Pell Direct Loan and FFEL eligibility.

Also once you attend session #5, we do have someone that is having a default prevention, I think session #5, if anyone is interested in that, they will have more information on the default management plan that the institution must implement if the rate goes greater than 30%.

Benefits. Currently most of you are aware of benefits that are issued to institutions. If you have 3 years of rates that are less than 10%, you were able to make one dispersement. That rate is changing; it has been increased to 15%, so therefore although we are looking at 3 years, rather than 3 years of rates below 10% now, the benefit would be 3 years that are less than 15%. Now that this something everybody, if you can, just keep this because it is a guide for us. We even have to look at it at the department. For the transition period, these are the 3 years that you would still be receiving your 2-year rates and the publication date. As you can see, you're going to receive 2009, 2010, and 2011. Publication dates are going to be 2011, 2012 and 2013. Those are the three 2-year rates that you're going to be receiving.

The next slide is the 3-year rate. This is when we began publication on the 3-year rate. The first, of course, is your 2009; publication date for that is 2012. This is when everything begins as far as your 3-year rate processing. It is going to be for FY-09 rate .This is the 30%, beginning of the period for the 30%. Also, just like I just want to remind everybody, when you get this 30%, when you get this FY-09 3-year rate, if your rate goes greater then 30%, you will be subject to that 1-year 40%. I just want to keep emphasizing that because I have been asked that several times from many institutions. I know it may seem like I'm pushing it but it is something that everybody remembers; 25 to 30 is for 3-year. The 40% there was no change.

Now, I will turn it over to Donna. She is going to go into some of the details for the appeals that the department offers for your institutions.

[DONNA BELLFLOWER:] Thanks, Fran. Good afternoon. Marty and Fran just provided you an overview of the cohort default rate calculation and some of the upcoming changes relating to the rates, including the 3-year rate. With this 3-year rate coming up and with the poor economy, we are expecting the cohort default rates will increase and some of you, especially you from the bigger schools, may not have paid much attention to your cohort default rates in the past. We are thinking you probably are going to want to start paying more attention now and be aware of your options for challenging or appealing the data. So in this part of the session I just want to briefly explain the different types of cohort default rate challenges, adjustments and appeals, as well as give you some important information on the electronic process that is available for submitting certain challenges and adjustments requests.

As Fran just mentioned, we release the rates twice a year. We have the draft rates that are released in February and the official rates are released in September. This slide is a listing of all the **cohort default rate challenges, adjustments and appeal types**. You'll note that the Incorrect Data Challenge, Uncorrected Data Adjustment, and New Data Adjustment are in blue. That is to show that these are the types that can be submitted electronically, which I'm going to talk about in a couple of slides.

During the draft cycle there are 2 challenge types that are available to schools. The first is the Incorrect Data Challenge and that is available for schools to challenge incorrect data that is included in your cohort default rate. Incorrect data would be any borrower that is incorrectly excluded from your calculation and should be in the calculation, or was incorrectly included and belongs in a different cohort year, or was included in the B of the calculation, meaning they were included as a defaulted loan and they should be included in D as a nondefaulted loan. The school would submit their Incorrect Data Challenge to the data manager who holds the loan, as indicated in the loan record detail report, and when I use the term data manager, I am referring to the guarantee agency or the Direct Loan servicer. If the data manager agrees with the school, they will correct the information in NSLDS so that when the official rate is calculated the data should be correct.

The Participation Rate Index Challenge is the next challenge type that is available for schools for the draft process. This process is available to schools who anticipate that they are going to be subject to sanction when the official rates are released. That can be subject to sanction based on 1 year that is greater than 40%, or based on 3 years that are greater than or equal to 25%, or greater than or equal to 30% for the 3-year calculation. The PRI challenge allows the school to avoid sanctions if they have a low number of borrowers in relation to the number of regular students that they enroll. You have to meet a certain threshold to win on PRI challenge. The threshold varies depending on which type sanction you are subject to. If your school is subject to sanctions based on 1 year greater than 40%, then the threshold is 0.06015. If your school is subject to sanction based on having 3 years of rates greater than or equal to 25%, the sanction is 0. 625 or less, and if you are subject to sanction based on 3 years greater than or equal to 30% with the 3-year calculation, the threshold is 0.0625.

The remaining ones are available, the adjustments and appeals are available for the official process. The first one is the Uncorrected Data Adjustment and that is available for schools to submit to the department if any of the changes that the data manager agreed to make as a result of the school's Incorrect Data Challenge are not reflected in your official cohort default rate. You will submit it directly to the department and we will correct your school's rate based on the agreed upon changes. The data manager will still need to go in and correct it in NSLDS.

The New Data Adjustment that is available for schools to challenge any incorrect new data that is included in your official cohort default rate. That would be data that has changed in some way between the draft and the official. The school would submit this to the data manager and if the data manager agrees that the data is incorrect then the school can submit it to the department to have their rate corrected. The data manager will go in and correct it in NSLDS.

The next type is the Loan Servicing Appeal. A Loan Servicing Appeal is available to schools that alleges that their school's rate contains defaulted loans that would be considered improperly serviced for cohort default rate purposes. A loan is considered improperly serviced for cohort default rate purposes if the borrower never made a payment on the loan, and the lender failed to make at least one phone call attempt, one letter attempt, a request for preclaims assistance for the FFEL program, not the Direct Loan (it is not required for Direct Loan) or that the lender did not send a final demand letter, or if the loan was a skip, meaning that there was no good address for the borrower. There needs to be some certification in the records that skip tracing was performed. The school would request and receive either a sample or a total population of defaulted loan servicing records from the data manager, review the records, and submit any improperly serviced records to the department, and once we get your Loan Servicing Appeal, we will review it and will adjust your rate accordingly.

These last 3 types that are in green are only available for schools that are subject to sanction. The first one is the Erroneous Data Appeal. As I said, it is for schools that are subject to sanction, or for schools that are subject to provisional certification due solely to the cohort default rate. The schools can submit this and the appeal would be based on any disputed data from IDC, so even if the data manager disagreed, if you are submitting an Erroneous Data Appeal, you can submit that as part of your Erroneous Data Appeal. You can also submit it based on disputed new data.

The next type is the Economically Disadvantaged Appeal, again for sanctioned schools only. As Marty mentioned in her portion, beginning in 2014 it is also becoming available for schools that are subject to provisional certification. Economically Disadvantaged Appeal alleges that the school should not be subject to the sanction because they serve a high number of low income borrowers and they have to have a low income rate of at least 2/3, and if it is a degree-granting school, they have to have a completion rate of 70% or more. If it is a non-degree-granting school, they have to have a placement rate of 44% or more.

The last appeal type is the PRI Appeal. This is the same as the PRI Challenge. The only difference is that a school will submit it during the official process rather than the draft cycle, so if you missed out on the draft cycle, you can submit that in the official cycle.

This slide is a screen print of the Cohort Default Rate Guide home page. This is where you would go to find complete information on each of the challenge, adjustment, and appeal types that I just mentioned. You would check in part 4, you can see it's highlighted here. That is the challenge, adjustment, and appeal section. The cohort default rate guide we consider a must-read if you are interested in how the cohort default rates are calculated and the entire cohort default rate process and it is available from our website. The website has been redesigned and we'll be happy to provide you an overview of all the information available on our website, if you come and visit the default management table at the PC Lab.

As I mentioned earlier, the Incorrect Data Challenge, Uncorrected Data Adjustment, and New Data Adjustment can be submitted electronically now. eCDR Appeals is the application that you would use to submit it. It is a web-based application. The system is available and actually has been available for schools to use since we released the draft FY-06 rates in February 2008, so it's been available for a couple of cohort cycles now. We show a link to this system right here; it is also available from our website. We have a link available from our website and eCDR Appeals allows the school to prepare your case and submit it electronically. The data manager will review the case and reply, and then we will review and finalize the case and make a final determination, all electronically.

Beginning in early 2011 with the release of the FY-09 draft rates, all schools must use eCDR appeals to prepare and submit their IDC, UDA, and NDA. So there will no longer be a hard copy process available in 2011. Stay tuned and check I-FACT for more information. We are going to send out more details on this in 2010.

We have received many positive comments from current users of eCDR Appeals. This slide shows **some of the benefits of eCDR appeals**. It is an easy to use interface. It is very similar to the spreadsheet. For those of you that have submitted challenges in the past and you've done it hard copy, you know you have to fill out a spreadsheet. This is just like filling out a spreadsheet; you're just filling it on screen. It protects Privacy Act data, so you don't have Social Security numbers being sent via mail, which is really not a good idea. It automatically packages your allegations by data manager, which means if you have more than one data manager that you deal with and you have incorrect data for each one, you could be sending 3 or 4 different packages to 3 or 4 different addresses. eCDR Appeals automatically sends to the correct data manager and that eliminates the risk of filing to an incorrect address. It also compares the draft and the official loan record detail report and populates your UDA. So for those of you who have done it in hard copy in the past, you know that you have to look at the response from your data manager to your IDC and when the official rate comes out you need to review it and make sure that those changes are reflected. eCDR Appeals will do that comparison for you and it will populate your UDA with any changes that were not reflected.

Another benefit that is not mentioned on this slide is that it allows schools to track the progress of their case, so instead of having to call us if it is been maybe a month since you've sent it in, you can just go right into eCDR Appeals and check the case status there.

This screen is just a screen shot of **eCDR Appeals home page**. We have a lot of information available from the home page, which I just wanted to mention so you are aware. The first link from the home page is a link to the cohort default rate guide, so that is available from eCDR Appeals home page. There are also some links showing here. Those are to the user guides. We have a user guide for each process, so we have a user guide for the Incorrect Data Challenge, Uncorrected Data Adjustment, and New Data Adjustment. We also have a link to the registration and user guide. You do have to register for eCDR Appeals before you use it and the registration and user guide will walk you through that process, and this is a continuation of the screen. Here in the middle part, after the user guides, there is a link to some recorded demonstration sessions that we prepared. These demonstration sessions were done via Microsoft Live Meeting, and they actually demonstrate the process of each of the different types. So there is a demo for the registration process and for the IDC, UDA, and NDA processes, so you can view those at any time.

The next link available is to the **Frequently Asked Questions,** and those are just some Q&A's on eCDR Appeals, and finally we have a link to our website from eCDR Appeals home page.

If you have questions on eCDR Appeals, if you'd like further information you can visit us in the PC Lab at the default management table. There you can actually view the eCDR Appeals demo if you'd like. We can help you register; we can actually register you for the system. Did want to mention though that if you want to register for the system, it is important to note that the destination point administrator for eCDR notification, and this is the person who actually receives the cohort default rates in their SAIG mailbox, they need to register first, and the reason is they will be responsible for approving all other school users, so if you're not the DPA for eCDR notification, you need to have them register before you register. And finally, we will offer you at our PC Lab a website overview if you're interested. We have updated that website.

This slide shows some **resources available for cohort default rates.** There is a link to the IFAP website, a link to our default prevention and management website, the link to eCDR Appeals is shown here, and finally there is contact information for the default prevention plans that Fran mentioned earlier. Mark Walsh is the contact for that and we have his phone number and his e-mail here. Mark is here at the conference and quite often you'll find him at our PC Lab at the default management table, so you could actually come to our table to talk to Mark. This is our contact information, and we have a phone number, e-mail and fax. That concludes our session on cohort default rate appeals and we're happy to take any questions now.

QUESTIONS/ANSWERS

[AUDIENCE:] My name is Sherry McCullough, I'm with Pikes Peak Community College in Colorado Springs, Colorado, and I was just wondering. We have a huge fraud issue going on that we have been working with at the OIG office and some of these people are sending the things and so we can't pretty much deny them, but then we realize it's huge. Is there going to be the possibility of appealing these kind of things when we, because you know, it's going to hit our cohort default rate and make us puke, you know to be real honest. These people have gotten a million dollars. Yeah, we went to 700 in less than a year.

[ANSWER:] If you have fraudulent loans that are included in your cohort default rate, you can submit an Uncorrected Data Adjustment. You just have to have some kind of proof that they are not legitimate loans, that they are fraudulent loans. If you submit the Uncorrected Data Adjustment, we'll remove those loans from your cohort default rate. If you check the guide in the Uncorrected Data Adjustment section, there is further information on that.

[AUDIENCE:] My name is [inaudible] from a third party servicer, so we are the destination point administrator of many schools, and the schools have a third party servicer doing default management, so we would have to get authorization? I'm just concerned about the authorization of the school to give us authority to the third party who does the default management because the third party who does the default management will be doing the appeal.

[ANSWER:] So, you're saying that you have a third party servicer.

[AUDIENCE:] I'm the third party servicer. So I'm the destination point administrator. We're the ones that get the cohort default report and then we e-mail, let's say, we send it to the, we don't send it to the school. We actually just send it to the school's third party servicer for default management.

[ANSWER:] Yeah, third party servicers can register for eCDR Appeals also. Since you're the DPA, you're going to need to register first. Unfortunately, yes, you're going to be responsible for approving all the servicers who need access to eCDR Appeals.

[AUDIENCE:] Usually the school would want access and then also their third party servicers.

[ANSWER:] The school can get, yeah, the school officials can get access and if they have a third party servicer who prepares their appeals, they would need access also.

[AUDIENCE:] They wouldn't need any authorization? I'm just concerned about the privacy and….

[ANSWER:] You would be the one that would be vouching that they… Basically you're saying they're OK to see this data, so when you approve them, that's….

[AUDIENCE:] Basically getting it from the school, the school is giving me the authority to sign them up then.

[ANSWER:] Right.

[AUDIENCE:] I guess that's what I mean. Thank you very much.

[ANSWER:] You're welcome.

Any more questions?

[AUDIENCE:] Hi. I'm Angie. I'm also with a third party servicer. Just to kind of continue on his, because I'll have to register today with my company. What information do you need for us to be able to register, me being a third party from my school?

[ANSWER:] You'll register with your information. Each user has to self-register, so after you've registered, you'll just need to let any of the schools that you deal with that are going to be preparing the challenge, they'll need to go in and self-register. What happens is once they finish their registration process, you'll get an e-mail that says that you need to go into eCDR Appeals to approve them.

[AUDIENCE:] OK, thank you.

[ANSWER:] The information you need to input basically is your name, you'll need to select a role. I can walk you through that. If you want to come to the PC Lab today, I'll be there. I think we're there until 5, so we can actually walk you through that.

Do we have any more questions?

[AUDIENCE:] My name is George. I'm with Intercoast Colleges in California. Our guaranteeing agency is obviously California Student Aid Commission. My question is if a student consolidates a Direct Loan and the guaranteeing agency has already been paid in full, but somehow it defaults with Direct Loan, is that still in my cohort default rate?

[ANSWER:] Yeah, it depends on when the loan defaults, but yes, the consolidation loans, the underlying loans. The consolidation loans, of course, are not included in the rate, but their status affects the underlying loans. So if the consolidation loan enters repayment at the same cohort period and that the underlying loan enters repayment and that consolidation loans defaults within the 2-year period that we're tracking, the underlying loans will be counted as defaulted loans.

[AUDIENCE:] Thank you.

Any other questions? We welcome your questions. Again, we're also in the PC Lab if you want to meet individually with us or have any assistance in looking at our website and the eCDR. We do appreciate you for coming. Please, as a reminder, complete the evaluations and put them in the box. The young lady has just held them up. We'd like to hear back from you. Thank you and have a continued good day at the conference.