

*Nichelle Alston:* Well, Thank you for coming to Five Steps to Effective Cohort Default Rate Management. First I want to start off by introducing everybody. My name is Nichelle Alston and I work in default management. And this is Frances Robinson. Say hi. Okay. And this is Donna Bellflower.

*Donna Bellflower:* Good morning.

*Nichelle Alston:* Okay, and we will be presenting to you today. So thank you for coming. I am so excited to be here with you guys. You know, we only get to see you once a year, but we talk to you all year long. So thank you again for coming.

Okay, so let's get to the meat and potatoes. Okay. So I wanted to start off today by reading a poem to you, and it's called *A Dream Deferred*, and it's by Langston Hughes, and it says:

*What happens to a dream deferred?*

*Does it dry up like a raisin in the sun*

*Or fester like a sore and then run?*

*Does it stink like rotten meat*

*Or crust and sugar over like a syrupy sweet?*

*Maybe it just sags like a heavy load*

*Or does it explode?*

And you're like, "Okay, Nichelle, why are you reading that to me?" Well, a couple months ago I was looking at a particular school and I was looking over their cohort default rate and the loan record detail report behind it, and I was kind of counting up the numbers, and I started looking at the names behind it. And it really struck me, you know, we get such into a habit of saying, "Okay, it's this many numbers is our" – but these are people. So I thought a good way to start off is just to remind everybody that when we are talking about the numbers, but they're students. They're students that we're here to serve.

So that's always important to remember, and that goes into an acronym that I like to tell everybody, it KYN, Know Your Numbers. So the first part of knowing your numbers is knowing that they're not just numbers, they're students.

Okay, so let's get into understanding the Cohort Default Rate formula. So what is a Cohort Default Rate? It's the percentage of borrowers who enter into repayment over, once you default and a certain cohort period. A cohort period is defined by, so let's say we're going to take 2010, and for 2010 the year starts on 10/01 –

sorry. Sorry. I'm a little nervous. It starts on 10/01/2009 and it ends on 09/30/2010. So that's your cohort period.

Okay, so in 2012 you will receive two rates; you're going to get a two-year rate and three-year rate. Okay? So this little chart right here is really handy. You can see in the blue right there, that's going to be your three-year rates. So you're not going to be subject to sanction in the beginning. The first year that you will be subject to sanction will be 2014. Okay?

So can I have my volunteers come forward?

Thank you for volunteering. I always like to – I think it's better if you can visualize something than me just talking to you, so my trusty volunteers here. And if you could just make a line in the front. Okay, so these lovely folks make up our denominator. So we're going to use 2010; we're going to keep with that year. So again, for 2010 these are the people who went into repayment on 10/01/2009 and ended on 09/30/2010. Okay.

So let's go to the numerator. The two-year numerator. Okay, how many of you guys are new to financial aid? Raise your hand. Okay, how many are you not new, you've been here for a while? Raise your hand. So you're familiar with the two-year numerator, okay. And that is the percentage of borrowers who went into repayment over a two-year period. So it would be from 10/01/2009 through 09/30/2011. Thank you, I'm nervous too. See, they were talking about, "I don't want to go up there. I'm nervous." I'm like, "Are you kidding? There's 2,000 people. I'm nervous."

Okay, so for the two-year we're used to – let's take these three ladies. So you three ladies stand right here, okay? So these are the typical people who are going to default in that two-year period. *[Laughter]* You know, something happened along the way, you know, we're in a recession, and they couldn't pay.

Okay, so new for next year is the three-year numerator, right? You guys are excited about that? No, okay. But, okay, so for the three-year numerator it's going to extend out another year. So we are going to go from 10/01/2009 to 09/30/2012 for 2010. So can I get three more people over here? So you're defaulters, and you can see from this chart right here, it goes from a small group of people to a bigger group of people. You can stand together. Now you're all together. Oh, you can't see; I'm sorry.

So that's a good visual for that. So when you go back to your schools and you're thinking about the cohort default rate and figuring it out, just remember that your denominator will always stay the same, it's always going to be this group of people, but it's just going to extend out another year.

All right, thank you. Let's give them a hand.

*[Applause]*

*Nichelle Alston:* That's very brave, 'cause it's like 2,000 people in here, so thank you.

Okay. So I mentioned a little bit about sanctions before on a previous chart, but again, you will not be subject to sanction for the three-year rate until 2014. So that means your rate will be official, but you won't be subject to sanction for it. Okay? All right, so the good news. The good news is that the benefit threshold has changed from 10-percent to 15-percent, so that's good news. Okay. All right, so we got that out of the way.

I am so excited to tell you that we have updated our Cohort Default Rate Guide. We published it last Wednesday, so it's now live on our website. And the Cohort Default Rate Guide is basically just a publication that's going to give you all the information you ever needed to know about Cohort Default Rates. We've listened to your questions and your comments over the past few years, and we've put them into that new Cohort Default Rate Guide.

Okay, so it includes regulatory changes, it includes all the changes that have happened over the past few years; it includes e-appeals, information on that, on how to do that. And the Guide is laid out in kind of a format where you have your meat and potatoes on the main page, and in the sidebar you're going to have information that's helpful to you. So it might have, if you're like, "Okay, where's the regs behind that?" the regs behind that are going to be in the little box on the side.

Okay, and just the introduction is pretty obvious; it introduced you to cohort default rates. And part two is just general information, how do I calculate my rate, how do I calculate the two-year rate. So when you go home and you say, "Okay, Nichelle told me this," well, it's also going to be in the Guide. And \_\_\_\_\_ information on the loan record detail report, a lot of good information.

All right, part three is the part that's really going to be good for you, 'cause it includes strategy. 'Cause you're asking, "Okay, how do I manage my cohort default rate?" Well, this chapter is going to tell you about that, or this part is going to tell you all about that.

Okay, part four is just about challenges and adjustments and appeals. I mean that's going to be a little tricky in 2012 because you're going to have to do challenges and adjustment and appeals for the two- and three-year rate at the same time. We're going to release them about a week apart, but Donna will tell you more about that.

Okay. My part is over. Thank you for the volunteers, again. And now I want to introduce Frances Robinson, and she's going to talk to you about NSLDS reports.

*Frances Robinson:* Hello, everyone. As Nichelle said, we're glad that you all were able to attend us tonight. Is that turned on? It must be that one. Okay. I'm sorry, just a moment. It's on? Can you hear me now? Thank you. I'm sorry; I apologize.

As Nichelle just said, we're coming up on a pretty particular time of the season, where we know all of the institutions are going to be mandated to do a lot of things. You're going to have your two-year cohort default rate information, you're going to have three-year cohort default rate information, and also the new GE. So we know it's going to be time-intensive on a lot of the institutions, and we hope that you will take advantage to look at some of the data that NSLDS has for you.

We did intend to provide some of the samples, but unfortunately, and I apologize, the data was not so clear and we only have a few copies in the lab. If you'd like to see maybe a sample of one or two of these reports you're welcome to come by and look at them. But because we're going green, in order to print a whole lot of copies of this, we didn't think it was really a good idea. Anyway, you can get all of these reports out of NSLDS.

You've had two sessions and I don't know whether or not you've had the opportunity to attend them. It is the NSLDS toolkits for reports, and it was session three. I think they've already had one or two, and there's one more tomorrow. That is a good source, so it tells you precisely how to go into NSLDS and request these reports, how you can download these reports out of the student NNA gateway, which is a SAIG, and various reports as to what it

contains. I just wanted to kind of give you a little overview also of what some of these reports represent.

On at least a monthly basis if you have the opportunity, which is a good idea, you really need to look at some of these reports and compare the data that's in NSLDS on at least a monthly basis. If you look at these reports it kind of gives you guidelines as to what needs to be corrected before all of the data comes to you at one time and you have to do a crunch to try to get the challenge, the adjustments, or whatnot into the system. If you look at it on a monthly basis, if you see the data is incorrect, you have the opportunity to correct some of this data. And when you do get your draft you will see that maybe all of the data that you thought you had corrected is not correct. You have the opportunity to challenge the data.

Upon the point in time when you get your draft you challenge, look at the data carefully; if it's not correct go back, go to your data managers, go into NSLDS and correct as much as you possibly can so that when your official rate comes out to you it will be as correct as possible. We know there's always going to be information that needs to be corrected, but if you can get it corrected in advance it's better for you, it's better for the department, because there is a lot that is going on, and it alleviates the possibility of your rate being out, we publicize it, if it's not correct it doesn't look good. So you know you want it to be as accurate as possible.

Two of the reports that are very good for you to use, and they are the School Repayment Information reports; they are the DRC015 and the DRC016. NSLDS has updated the system so that we can show you the 24-month period and the 36-month period. What you can do is each month you take the most current 24-month period, if you run that you can see pretty close what that two-year cohort default rate will look like. It has all of the borrowers that so far that are in NSLDS, it has the status of each one of those students. So it will give you a pretty good leverage as to what your default rate is.

The DRC016 is for the three-year, which I'm sure everybody is curious and wants to know what it looks like. You can go back home, actually when you get back in your office, you can go back and run the DRC016, you can run it for the most current 36-month period, and it'll give you a pretty close idea of what you're going to be looking at in February, when we give you your draft three-year report.

These reports also come in a formatted, and they also come in extracts. We have been given mostly time – people do the reports, but we find that if you are able to download the extracts they are much more user-friendly. You have the opportunity to sort, you can get any particulars that you're looking for. If you're able to put those particular reports in the Excel or even Access you can just go in and sort, and anything in particular that you're looking at the most, that you want to – just want to emphasize that you want to look at, it's best to do the extracts. The reports are good if you just want to do a little visual and see what's going on.

The next report is the Date Entered Repayment Report. This is a very, very good report. You have the opportunity to list – it's a listing of all of the students who are scheduled to go into repayment during a specified date range with their loan histories. The school can specify the begin date, you can specify the end date, any range that you would like. And you can also sort these by social security number, names, and dates entering repayments. This report is also sent to your SAIG mailbox, and definitely you have to receive it through your SAIG mailbox. It's a good report; it just gives you in advance to let you know who's coming into repayment. If you want to track those students you have the opportunity to look at those.

The next report is the Borrower Default Summary Report, and personally, when I first saw the report I was wondering, "Now why would an institution want to see the summary of the default report?" and as we spoke with NSLDS, this is a good report if you wanted to do some type of analysis on the students that have defaulted, if you want to try and figure out is it a particular class, a particular session that the schools are taking. Or anything in respect that you would like to do an analysis for your staff to see which type of students are defaulting. This is the report you want to look at, because you have the opportunity to sort it in the way that you want to look at, and you can look at various categories.

The School Portfolio Report is a report that you can look at, basically your whole school's portfolio; it has all of the borrowers and all of the loans that are serviced by all of the services. So if you are concerned about how many students you have, what the portfolio for your school looks like, this is the report that you want to go; it shows you all of your FFEL programs, any one that's in the direct loan programs also.

The Delinquent Borrower Report. Now I'm sure most of you all have called Default Prevention in your institution, and these are the reports that you want to look at to try to get to those students before they default. You can run it and – excuse me; my voice is leaving – and the report does not include those loans that are held by guaranty agencies and serviced by the Direct Loan Servicing Center; they generally have something separately. What this report gives you are all of those loans that are serviced by the services for the Department of Education. So you can get a listing of all of those schools – all of those students that are basically almost about to be delinquent and you want to track those earlier. Anyone that you can keep out of default before they go into default, whatever measure you need, this is the particular report that you can use.

The next report is the report that you all see every year, you see them two to three times a year when we do the draft rates and when we do the official rates. When we get ready to release the rates in February there's an I5 posting that tells you that the Department of Education will be releasing the rates on a certain day. At that point in time the information is sent to your SAIG mailbox. You're going to get your official notification letter and the Long Record Detail Reports that backs up those particular rates. This year, of course, you're going to be getting four sets; you're going to be getting the draft for the two-year, the draft for the three-year, you're going to be getting those reports in the report format and you're also going to get those in the extract format.

So when you draw down one we planned it – we thought it was going to be a little bit too much for you to give it to you all at once, so these rates are going to be released about a week apart. You're going to get your draft two-year report, it's going to be about mid-February. And then about a week after that we're going to push out to you the three-year report.

So the best part about these particular reports, they have been enhanced by NSLDS. When you download the reports, in the header it's going to tell you particularly whether or not it's the two-year report or whether it's the three-year report. And of course, when you get them the ones that we push out to you are going to be the draft reports.

In September you're going to get those same reports, which will be the two-year official and the two-year – I'm sorry, the two-year official and the three-year official. So there's going to be a lot of reports coming to you. Just wanted to get you alerted to the fact that your SAIG mailbox is going to be full, but it will be about a

week apart. So just be aware that once you get one the other one is going to follow, and that point in time, that's when you're going to have the opportunity to challenge the data that's on those reports.

Now just as indicated before, as I did earlier, the question is why should a school review the draft? Of course you want to review the draft. Everyone wants to see what their cohort default rate is going to look like officially. When we post them everybody sees them; we post them for every eligible institution, and you want it to be as accurate as possible. So when you get the opportunity, when you get your draft, look over it, do as much as you possibly can, challenge any of the data, even if it's – challenge it. If you think it's wrong, send it to your guaranty agency or whomever, they will look at the information and they will say, "Yes, you're right. I know you're around." You do whatever's necessary to get that rate as low as possible.

There are benefits, of course, to having a low cohort default rate; we just posted that as of October the 1st. The benefits did go up a little bit; you can have a rate that is 15-percent, less than 15-percent and your benefits are great for that, and of course, there's the 5-percent. So you want to make sure you do everything that you possibly can, review the draft, get it as accurate as possible.

When the official rates are sent to you, you review that information also. If the data has not been corrected then that is when you have the opportunity to send it back to us and say, "I've challenged this once. The data did not get corrected. We'd like to challenge it – we'd like to appeal it again to make sure that the information is correct," because we're going to be going from year to year. Whatever is in the two-year is also going to affect your three-year, because especially if it's defaulters, once we go into the three-year that's just going to be added on, so you want to get it as accurate as possible.

Just a reminder, if you do not challenge that draft information you will not have the opportunity to appeal it when the official rates are in issue. So look at your draft.

And the last thing that I just want to go over for you is just a sample of what the Long Record Detail Report looks like when you get it each year. I'm sure everyone has seen it, but we just wanted to give you an example of what it looks like. This is the report format, and we just want to give you some ideas of what major things that most people look at when they challenge the rate.



One important thing that you might not want to note on there particularly is kind of – I don't know if you can see it or not, but in the very right-hand corner, where it says "Year 1", when you get your information for the draft it's always going to be one, because when we calculate the draft information it's just based on that one year cohort information. Now when you get your official you may get a one or you may get a three. If you get one that means you have borrowers that have entered into repayment that are greater than 30. That's an actual cohort default rate process and that's an actual rate. If you have less than 30 borrowers, of course you get an average rate. So we look at three addition – two – their prior years that go into that calculation, and that's what makes up your Cohort Default Rate. And you'll see a three in that field. So it's just something that you can look at to know exactly how was my rate calculated for the official.

Other than that these are some fields, and if you want to keep this it's in the presentation. You can always have it to look at. You can go back and then kind of like if you're confused at what it means, it kind of gives you an explanation as to what some of the codes mean.

This page here is you can see down in the bottom where it says, "These fields are the ones that are most cited in challenges and adjustments." It's kind of like highlighted. This is what's most of the time when you're trying to challenge something, this is basically what most institutions challenge when they look at information.

These are the codes. You might just want to set them aside, because as you're doing your challenge and appeals and you don't know what they mean, you're looking at a report and all of a sudden you see this code and you want to know what in the world, these are the codes that go on those particular reports, but it's an explanation as to what they mean and it kind of gives you, you know, a better feel as to why you're challenging it and what you're challenge.

So first of all you have the loan type codes, you have your enrollment status codes, you have your usage codes, and the usage codes 2, your claim reason codes. If you go back to usage codes 1, which is very important, the usage code D means they are repayments only, the usage code B means those are your defaulters. So if you want to just go in and say, "Okay, I have my abstract, I just want to see how many of these students and whoever defaulted," you go in and click on something and sort and

say, "Give me all my Bs." That will pull all your defaulters up to you so you have the opportunity to look at those first to see whether or not you feel those students should be in the default situation.

The next one is just basically the loan status codes. That just gives you if the student defaulted, the reason why they defaulted or whatever the status of their loan is. And all of these particular codes that you're looking at is reflected at the point in time of the calculation. So you want to keep that in mind.

And of course, the last page just basically gives you a summary of the information that is included in that Loan Record Detail Report.

Once again, I do apologize that we did not have the handouts. If you wanted to see samples of some of the reports that I referenced we do have them at our table at the lab. It's just a glimpse of what it'll look like, but you can actually go into NSLDS, pull your organization, and you can request any of these reports that I've just referenced to you. Thank you.

*Donna Bellflower:*

Okay. Good morning. In this part of the session we're just going to talk about the different types of challenges, adjustments, and appeals that are available to schools once your cohort default rate has been released to you.

Okay, after their release of the rates, schools have an opportunity to review their Loan Record Detail Report, and if they find incorrect data included they can submit it to their data managers for review. There are also certain types of appeals that are available for schools that are subject to sanction, and these appeals would say that there are mitigating circumstances that contribute to why we have such a high rate and we feel we should not be subject to sanction based on these mitigating circumstances. So I'm just going to briefly go over each of these appeal, challenge, and adjustment types.

And this slide is just a listing of the different challenges, adjustments, and appeals that I'm going to go over. Okay, the incorrect data challenge is submitted by schools after the release of the draft cohort default rate. When you get your draft rate and you review your Loan Record Detail Report, and if you find any incorrect data included in that Loan Record Detail Report then you would submit an incorrect data challenge. Any possible incorrect data would be if a borrower is counted in the cohort default rate and they should be in a different year, or if a borrower is not

showing in the cohort default rate, and based on the corrected data in repayment they should be, so you want them to be added. Or if a borrower is counted in the numerator of the cohort default rate and you want to challenge the default status of that bar.

But it's important to remember when you're challenging the default status of a borrower, once a borrower defaults on a loan they remain in default for cohort default rate purposes. Even if after they defaulted they were able to pay the loan in full, or if they consolidated loan, or if the borrower died after they defaulted, the loan remains counted in the default rate as a defaulted loan.

There are two exceptions to this that are allowed by regulation. One is if a borrower successfully rehabilitates their loan by making nine regular payments within a ten-month period, and they do all that within the cohort period, then the loan will come out of the numerator. And the other one is – this is for loans that are held by the guaranty agency, if a lender submitted a claim to a guaranty agency and then they immediately repurchased that claim then the school can challenge that and it can come out of the numerator. Otherwise, once a borrower defaults they are counted in default. So most challenges tend to deal with the data and repayment because it is the data and repayment that determines which year the loan belongs in. Incorrect data challenges are submitted to the guarantor or the servicer who holds the loan, and you must use eCDR Appeals to submit your incorrect data challenge.

Okay, the next – I did not switch it. The next type of challenge is the Participation Rate Index Challenge, and the Participation Rate Index Challenge is submitted by a school that has high rates that may potentially subject them to sanction when the official rate is released or provisional certification. And a Participation Rate Index Challenge is saying that we do have high rates, however, we have a low number of borrowers that actually use the program in relation to the total number of students that we enroll. It's submitted during the draft process so that if the school wins during the draft process they will never be subject to sanction when the official rate comes out because they were successful in their Participation Rate Index Challenge.

And there are certain thresholds that the school must meet to have a successful Participation Rate Index Challenge, and these are described in chapter 4.3 of the Cohort Default Rate Guide.

Cohort Default Rate adjustments are submitted by schools after the release of the official cohort default rate. The first type of

adjustment I want to discuss is the uncorrected data adjustment. An uncorrected data adjustment is done by a school after they have done an incorrect data challenge, the data manager has reviewed their data and agrees that the data needs to be updated, and so the data manager is supposed to go into NSLDS and update the information for the borrower, but if that information has not been updated when the official rate comes out then the school can submit an uncorrected data adjustment to have their rate adjusted.

They're submitted directly to the department and they are submitted, again, via the Electronic Cohort Default Rate Appeals system. When the department receives an uncorrected data adjustment we will review it and we'll make the necessary changes to the numerator and the denominator and we'll recalculate the rate and we'll inform the school of their newly recalculated rate.

The next type is the new data adjustment. A school would submit a new data adjustment after the release of the official rates, if after review of their Loan Record Detail Report they find new data that was not included in the draft rate, and they feel that this new data is incorrect. Incorrect new data could be that a borrower was counted in their draft rate is not in their official, or vice versa, if they were not in the draft rate and they are in the official. Or if the borrower was counted during the draft process in the denominator only, and when the official rate comes out they're counted in the numerator. So therefore that means the data has changed. If the school feels that this change is incorrect they can submit the new data adjustment, and they do this also via eCDR appeals. It gets submitted to the data manager first, and if the data manager agrees with the school, that the data is incorrect, then the school would submit the complete new data adjustment to the department, we would review it and we would recalculate the numerator, the denominator, and recalculate the rate, and then we would let the school know what their new rate is.

Cohort Default Rate appeals are submitted after the release of the official Cohort Default Rate. There are four types of appeals that are listed here; I'm just going to briefly go over each one.

The Erroneous Data appeal is available to schools who have high rates that make them subject to loss of loan eligibility or provisional certification. And an Erroneous Data appeal is submitted, it would include data from an incorrect data challenge, where the data manager disagreed with the school. If the school is subject to sanction they can submit an erroneous data appeal and they can challenge that incorrect data challenge allegation that the

data manager disagreed with. Also if any new data that was included in the rate, even if the data manager disagrees with the school that the new data is incorrect, the school can submit it to the department as part of an Erroneous Data appeal and then we'll review it, and if we agree with the school that the data is incorrect we'll make the necessary changes to the numerator and the denominator and we'll let the school know what their new rate is. If their new rate falls below the sanction threshold then the school will no longer be subject to sanction.

A Loan Servicing appeal is another type of appeal. It's available to all schools, not just schools subject to sanction. And to initiate a Loan Servicing appeal the school would first send a request to their data manager requesting the Loan Servicing records from the data manager. The data manager would provide all of the Loan Servicing records or a representative sample, if they have more than 100 borrowers that have defaulted loans that they hold. And then the school would review the Loan Servicing records, and if the records show that the borrower was improperly serviced for Cohort Default Rate purposes, the school would submit it to the department as part of the Loan Servicing appeal.

Improperly serviced for Cohort Default Rate purposes is different than the regulations that a lender must follow to get reimbursed by the guaranty agency. Improperly serviced for Cohort Default Rate purposes means that the lender or the servicer failed to do at least one of the following: they make at least one phone call attempt; send at least one letter, other than the final demand letter; for FFEL loans held by the guaranty agency, a pre-claims assistance request from the lender to the GA must be reflected; and also a final demand letter sent. However, if the borrower had a bad address and this lender was unable to send the letters then there must be evidence of skip-tracing activity, and if that evidence is in the records then it's considered properly serviced. Also it's considered properly serviced if the borrower made a payment on the loan, because if the borrower made at least one payment, that shows that the borrower was aware that this was a loan and that the loan entered repayment.

Okay, Economically Disadvantaged appeals are available to schools who are subject to loss of loan eligibility or who have received notice of a second successive rate that potentially makes them subject to provisional certification. Economically disadvantaged appeals are saying that, "Yes, we know our rate is high, however, we have these mitigating circumstances that explain it, so we feel we should not be subject to sanction." And

the mitigating circumstances that the school must meet is they must have a low income rate of two-third or more. If it's a degree-granting school they have to have a completion rate of 70-percent or more. For non-degree-granting schools they must prove a placement rate of 44-percent or more and they must also submit an independent auditor's opinion certifying all the information that the included in their appeal.

So they'll submit that to the department and we'll review it, and if we agree with the school's calculations of their rates then we'll go ahead and tell them that they have won the appeal and they will no longer be subject to the sanction or to the provisional certification.

The last appeal type is the Participation Rate Index appeal. Again, this is only available to schools subject to loss of loan eligibility or provisional certification. And this is just like the Participation Rate Index Challenge that I mentioned earlier, the school must prove that they serve a low number of borrowers based on in comparison to the total number of students that they enroll. The only difference is that it's submitted during the official process, so it's called an appeal, because the school has already been notified that they're subject to loss. If they have done it during the challenge process and they were successful they would never get that notification that they're subject to loss.

There are other appeal types that a school doesn't have to submit; the department makes the determination that the school is eligible for this before we release the official rates, and the first type is the Average Rate appeal. And the way that the Average Rate Appeal works is if a school that has rates that make them subject to loss of eligibility because they have three years at 25-percent or above, if at least two of those rates are actual rates and if we had calculated the rate based on the actual number, not the average numbers, and that actual rate would've been lower than the average rate would've been under the sanction threshold, then they won't be subject to sanction.

Additionally, a school that is subject due to its most recent rate being above 40-percent, if that rate is averaged then the school will not be subject to sanction. So we make that determination before we release the rate, and the school is just never subject to sanction, because we tell them in their letter that they met this criteria.

And the last appeal type is Thirty-or-Fewer Borrowers. If the school has a total for the last three years of borrowers in repayment that is less than 30 then they will not be subject to the loss of

eligibility. And again, we'll notify them in the notification letter that they were not subject because they met the criteria for the 30-or-fewer borrower appeals.

Now as Fran mentioned, and I think maybe Nichelle mentioned too, starting in 2012 we're going to be releasing the FY2009 three-year rate and the FY2010 two-year rate. So you're going to get two sets of rates for the next couple of years. You can submit a challenge, you can submit an appeal or an adjustment for both the two-year and the three-year rate, and they must be submitted separately.

Now if anybody would like to schedule an appointment with us after this to discuss your Cohort Default Rate, we're available in the PC lab under the default management table. We have a signup sheet there. We also are going to be taking questions right after the session.

And this is our contact information. So if you come up with any questions after the conference this is where you can reach us; we have our hotline and our e-mail and our fax, and our website is listed here.