Default Date in Perkins Assignments to the Conditional Disability Discharge (CDD) Unit

When you prepare an Assignment Form to assign a loan to the Department's CDD unit, you **should not** provide a date in the Date of Default box (Box 22, of Section C- Loan Information: Historical) on the Assignment Form, **if the loan you are assigning *is not* in default.** Instead, if the loan you are assigning is **not in default**, you should **leave this box blank**. This instruction is also provided in the Perkins Assignment Form Instructions document (see
http://www.ifap.ed.gov/dpcletters/attachments/CB0612Attach2GeneralInstruct.doc).

If the loan you are assigning *is* in default, you need to complete this box as specified in the Perkins Assignment Form Instructions document.

Correcting Default Date Data

If you previously provided a default date for a non-defaulted loan, because you thought that you were required to complete the Date of Default box, we need you to let us know. Unfortunately, we are unable to distinguish non-defaulted loans from defaulted loans when you submit a non-defaulted loan with a default date. This means that you need to tell us which non-defaulted loan(s) you have submitted with a default date, so that we can remove the default date.

It is very important that you assist us in removing the default date where necessary, because the presence of a default date indicates to us that a loan is in default. This means that a non-defaulted loan mistakenly submitted with a default date will be incorrectly assigned to our Collections unit for default servicing, if it is determined that the borrower is not eligible for a Total and Permanent Disability discharge.

Please contact Lynn Force at (315) 731-2761 to correct default date data.