United States Department of Education
Office of Federal Student Aid
National Student Loan Data System

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Enhancements to Insurance Claim Payment Reporting
and Cohort Default Rate Calculation
Technical Update GA–2005–05

June 30, 2005

This information is intended for the person in your organization who is responsible for working with NSLDS. If that person is not you, please forward this update to the appropriate person.

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NSLDS is pleased to announce that on June 30, 2005, NSLDS enhanced the Cohort Default Rate (CDR) calculation by adding additional reporting capabilities.

This Technical Update provides information on the following:
- Ability to report Insurance Claim Payments made in error
- Changes made to the CDR Calculations
- A reminder pertaining to the use of Date Entered Repayment
- Changes made to Appendix A of the Guaranty Agency Data Provider Instructions (GA DPI)

Insurance Claim Payment Made in Error

GAs can now report that an Insurance Claim Payment has been made in error.

To indicate that an Insurance Claim Payment was paid in error, GAs need to report the Insurance Claim Payment information, the Repurchase information, and now an "E" in the Indicator of Rehabilitated Loan Field. The "E" will indicate that the Insurance Claim Payment was made in error and that the subsequent Repurchase was made to correct the error.

It is important to note that after records have been updated to this new condition via Batch Process or GA Online Update, the Batch Process will not update the Indicator of Rehabilitated Loan to blank. To update the Indicator of Rehabilitated Loan from "E" to blank via the Batch Process, the Repurchase will first need to be deleted and then re-reported with the Indicator of Rehabilitated Loan set to blank. GA Online Update will allow the Indicator of Rehabilitated Loan to be updated.

Insurance Claim Payments made in error will not be included in the numerator for the CDR calculations as long as the corresponding Date of Repurchase is before the end of the cohort period.

For additional information, please see the GA DPI Update section and Attachment A of this Technical Update.

Rehabilitated Loans and CDR Calculations

NSLDS is pleased to announce that loans rehabilitated within the cohort period will no longer be included in the numerator of the CDR calculations.

NSLDS Use of Date Entered Repayment

NSLDS would like to remind GAs that once a loan goes into repayment, the Date Entered Repayment should not be changed except to correct an error.

The Cohort Default Rate calculation uses the Date Entered Repayment to determine which loans to count in the denominator. Therefore, GAs must ensure that this date is reported accurately to NSLDS. Continually updating the Date Entered Repayment may cause a borrower to be counted in multiple cohort fiscal year calculations. Or, if the Date Entered Repayment is incorrect, a loan could be counted in the wrong cohort fiscal year.

Many guarantor systems set the Date Entered Repayment based on the anticipated completion date. It is important for GAs to correct the Date Entered Repayment in their system so that it is the same as the borrower's separation date (withdrew, graduated, or less than half-time), plus grace (six months), plus one day, before they report this information to NSLDS.

For loans closed as a result of consolidation but have not entered repayment, set the Date Entered Repayment equal to the effective date of the "paid through consolidation" loan status ('PC', 'PN', or 'DN'). In cases where the borrower pays the loan in full while in school or grace, and prior to the Date Entered Repayment, it is important that the Date Entered Repayment be changed to the effective date of the loan being paid in full. A future Date Entered Repayment can cause the borrower to be counted in the wrong cohort period. The only exception to this is if the loan is cancelled.

Remember, once the loan has entered repayment, the Date Entered Repayment should not be changed except to correct an error. Do not replace an original Date Entered Repayment with the date associated with a new loan, or the date the borrower resumes repayment after deferment or forbearance.

GA DPI Updates

The following field code edits have been changed:

- Indicator of Rehabilitated Loan (122)

The changes are described in the attached updates to the GA DPI. Please insert these pages into your existing GA DPI.

Attachment: Appendix A: Data Dictionary updates

If you have any questions, please contact the NSLDS Customer Service Center at (800) 999-8219 or e-mail nslds@pearson.com.