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NSLDS II Reengineering
Procedures Detail Design:
Cohort Default Rate (CDR)
P-CDR-1

Version 1.0

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1 Cohort Default Rate (CDR) Calculation

NSLDS II will perform Cohort Default Rate (CDR) calculation and distribution. This is the process of calculating and publishing draft and official CDRs in order to gauge the overall default rate for student loan programs for monitoring purposes and to determine school eligibility.

The CDR is defined as the percentage of a school's student borrowers who entered repayment on FFEL and/or Direct Loans within a cohort fiscal year and then defaulted on those loans (or met other specified conditions) during the same or following cohort fiscal year. For example, the Fiscal Year 2000 Official CDR was calculated and mailed to recipients in August 2002, based on borrowers who entered repayment during Fiscal Year 2000 and then defaulted during Fiscal Years 2000 or 2001.

The CDR calculations performed by NSLDS II include:

- Official/Draft/Preview School Rate Calculation (**Section 1.1**)
- Draft/Official Guaranty Agency (GA) and Lender Calculation (**Section 1.2**)
- Monthly Repayment Information Report (Notional) School Calculation (**Section 1.3**)
- State Average Calculation (**Section 1.4**)
- National Average Calculation (**Section 1.5**)

1.1 Official/Draft/Preview School Rate Calculation

1.1.1 Procedure Specifications

| | |
|---------------------------------------|--|
| Procedure Name: | Official/Draft/Preview School Rate Calculation |
| Procedure Short Description: | The official CDR is calculated in August and distributed to Schools in September, the draft CDR is calculated in January and distributed to Schools in February, and the preview is calculated on a monthly basis and only provided to ED users. Depending on the results of an official CDR, Schools may or may not be sanctioned. The two reasons that Schools might be sanctioned are if, 1) A School's three most recent official CDRs are 25% or greater 2) A school's current official CDR is greater than 40%. |
| Data Source: | NSLDS II |
| Procedure Frequency: | Official - One time per year (calculated in August and distributed in September) Draft - One time per year (calculated in January and distributed in February) Preview - Monthly |
| Detail Requirement References: | 5.044, 5.045, 5.194 |
| Output Media: | Cohort Default Rate flat file, EDW DEF_RT_HIS table |
| Output Target Platform: | NSLDS II |

| | |
|-------------------------------------|---|
| Output Storage Requirements: | Flat file will be stored indefinitely, no backup will be provided |
| Related Interfaces: | PEPS School CDR File (See System Interface Detail Design: I-PEPS-2) |

1.1.2 Procedure Flow

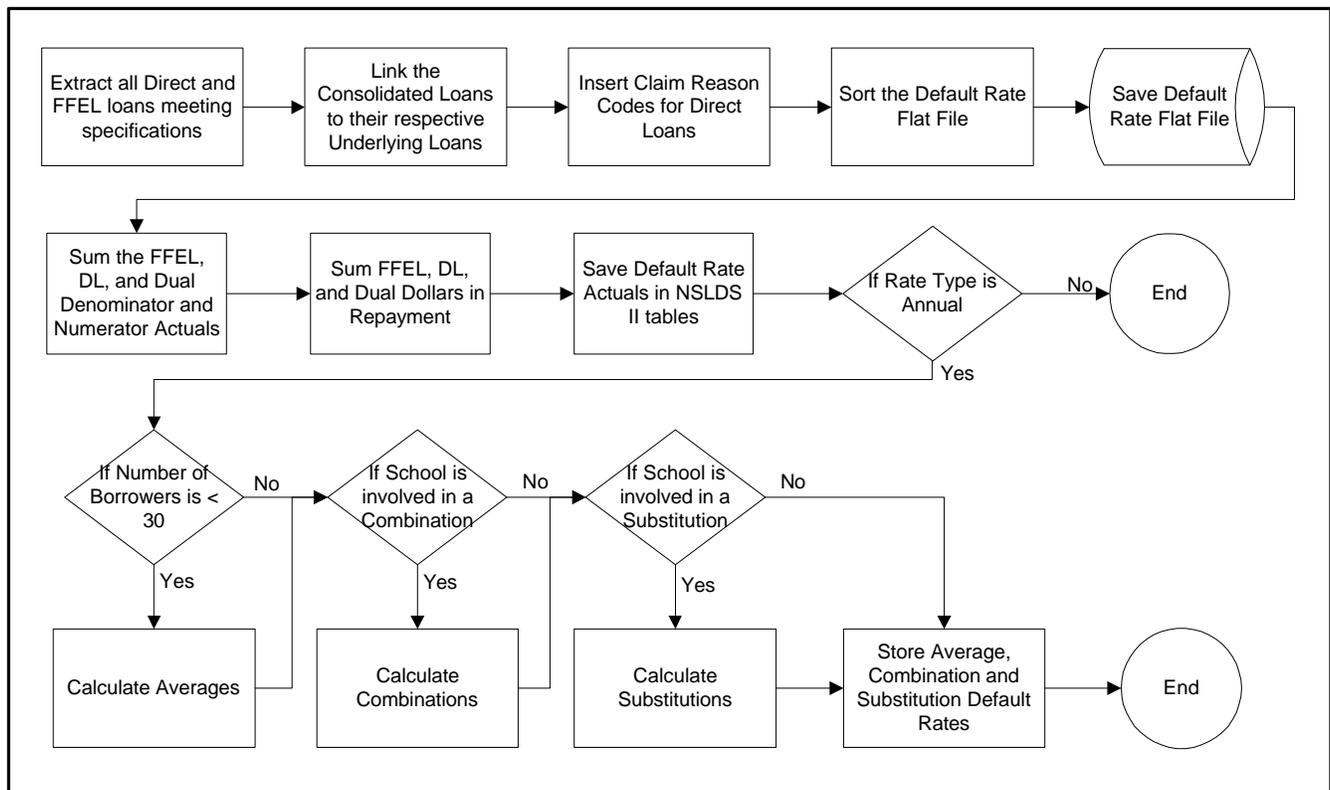


Figure 1, Official/Draft/Preview School Cohort Default Rate

1.1.3 Computational Logic

Step 1 - Extract Cohort Default Rate Data and Create Flat File

1. Pull Loan Level Detail for all FFEL and Direct Loans with a maturity date (cur_mat_date) falling between 10/1/XXXX*-1 to 9/30/XXXX.
2. Do not include loan types CL, D5, or D6 if they do not have an associated PC, PN, or DN. (See section below about Defaults on FFELP and DLP Consolidated Loans)
3. Link the Consolidated Loans to their respective Underlying Loans by inserting Date/Time stamp and Consolidated Sort Number into the Default Rate Flat file. This will facilitate counting in later processes.
4. For Direct Loans insert an "IX" in the Claim Reason code if there is a Claim Date.

5. Sort the flat file data into four different sections by School, GA, Original Lender and Current Lender. Within these sections, sort by Student SSN, Date/Time, and Consolidated Sort Number.
6. Save the flat file (See Section **1.1.3.1 Default Rate Flat File** for the file layout).

* XXXX represents the Cohort Year

Step 2 – Sum the Denominator and Numerator

Denominator:

1. Exclude loans with Loan Status codes (loan_stat) of:
 - AL – Abandoned loan
 - CA – Cancelled
 - UA – Temporarily Uninsured – No Default Claim Requested
 - UB – Temporarily Uninsured – Default Claim Denied
 - UC – Permanently Uninsured/Unreinsured – No Default Claim Requested
 - UD – Permanently Uninsured/Unreinsured – Default Claim Denied
 - UI – Unreinsured
2. Include Loan Type codes (loan_type) of:
 - SF – FFEL Subsidized Stafford Loan
 - SU – FFEL Unsubsidized Stafford Loan
 - SL – FFEL Supplemental Loans for Students
 - D1 – Direct Subsidized Loan
 - D2 – Direct Unsubsidized Loan
3. Exclude Claim Reason codes of:
 - CS – FFEL Closed School
 - FC – FFEL False Certification
4. When performing the calculation, keep the FFEL Denominator, DL Denominator, Dual Denominator, FFEL Dollars in Repayment, Direct Dollars in Repayment, and Dual Dollars in Repayment separate. The Dual Numerator is a sum of students that does not duplicate counts across programs (i.e. if a school has two students, one with FFEL and Direct defaulted loans and another with a FFEL defaulted loan only, the FFEL rate for the school would be $\frac{1}{2}$, the Direct would be $\frac{1}{1}$ and the Dual $\frac{1}{2}$. The first student is only counted once in the Dual even though he is in both programs). See **Appendix A** for an Example.

Numerator:

1. Of the FFELP (Federal Family Education Loan Program) loans included in the denominator:
 - Include loans with a default claim paid date (dt) from the insurance claim table (insur_cl_pmt) falling between 10/1/XXXX-1 to 9/30/XXXX+1, and
 - Include loans where the claim reason code is DF (FFEL Default).
2. Of the DLP (Direct Loan Program) loans included in the denominator:

- Include loans with a default date (dt) from the default rate default table (loan_def_rt_def) falling between 10/1/XXXX-1 to 9/30/XXXX+1, and
 - Include loans where the claim reason code is IX (Direct Loan, Defaulted Loan)
3. Include defaults on FFELP and DLP Consolidated loans as identified in the section below.
 4. When doing the calculation, keep the FFEL Numerator, DL Numerator, Dual Numerator, FFEL Dollars in Default, Direct Dollars in Default, and Dual Dollars in Default separate.
 5. Store the values in the Default Rate History table with a Rate Type of 'A' - Annual (Official), D - Draft, or 'Z' - Preview depending on the type of Default Rate being calculated and a Rate Sub Type of 'A' - Actual. The Preview is temporarily stored as a 'Z' Rate Type, which facilitates Preview calculations. Before another Default Rate is calculated all 'Z' Rate Types are deleted from the system.
 6. If an 'AA', 'DA' or 'ZA' record does not exist for an active school, create a zero 'AA', 'DA' or 'ZA' record. All active schools from the school_branch table will now have an associated Default Rate.

Defaults on FFELP and DLP Consolidated Loans:

Schools use the underlying loan information for consolidation loans. For the FFELP and DLP loans included in the denominator with a loan status code of PC, PN or DN, the following additional steps are performed:

1. If the consolidated loan has more than one school associated with it, 1 is added to every school included in the consolidated loan.
2. If the consolidation of the underlying loan did not occur until after the end of the cohort period, use the current lender, GA, date claim paid and claim reason of the Underlying Loan that was valid at the end of the cohort period for numerator counting purposes.
3. If the underlying loan is part of a consolidation and the change in loan status to PC, PN or DN took place before the end of the cohort period and the underlying loan is not in default, use the current lender, GA, date claim paid and claim reason of the consolidation loan that was valid at the end of the cohort period for numerator counting purposes.

Step 3 – Perform Averages

Averages are only performed if the Default Rate being calculated is an Official Rate.

If a school has less than 30 borrowers in repayment for the cohort year:

1. Pull the numerator and denominators for the past 2 years for the given school. Only reference Actual records (rate_sub_type 'A' for prior years). Prior substitution and combination definitions must be included.
2. If school does not have CDR history for both of the past 2 years, do not calculate an average.
3. Average the numerator and denominator using Actuals found in Step 1 with their previous two years.
4. Store the values in the Default Rate History table with a Rate Type of Official and a Rate Sub Type of 'B' - Average.
5. The Average calculation will now be considered the school's official calculation for the cohort year.

Step 4 – Perform Combinations

Combinations are only performed if the Default Rate being calculated is an Official Rate.

If a school is involved in a combination:

1. Pull the numerator and denominators for all Underlying Schools involved in the Lead School Combination.
2. Combine the numerators and denominators for the school involved in the Lead School Combination.
3. Store the values in the Default Rate History table with a Rate Type of Official and a Rate Sub Type of 'P' - Lead Combination. The lead school receives the rate calculated for the combinations and all other schools in the combination receive a zero numerator and zero denominator.
4. The Combined calculation will now be considered the school's official calculation for the cohort year. See **Appendix B** for an Example.

Step 5 – Perform Substitutions

Substitutions are only performed if the Default Rate being calculated is an Official Rate.

If a school is involved in a substitution:

1. Pull the Actual numerator and denominators for Source School.
2. Store the values for the Target School in the Default Rate History table using the Last Official calculation from the Source School.
3. Store the values in the Default Rate History table with a Rate Type of Official and a Rate Sub Type of 'S' - Substitution.
4. The Substituted calculation will now be considered the school's official calculation for the cohort year. See **Appendix C** for an Example.

Note - Refer to the **CDR Preview Summary Report** for the Preview Report Information.

1.1.3.1 Default Rate Flat File

| Data Element | Field Position | Length | Source |
|---------------------|-----------------------|---------------|----------------------|
| Fiscal Year | 1 – 4 | 4 | Generated by program |
| School | 5 – 10 | 6 | SCHOOL |
| School Branch | 11 – 12 | 2 | SCHOOL_BRANCH |
| Current Lender | 13 – 18 | 6 | LENDER |
| Originating Lender | 19 - 24 | 6 | LENDER |

| Data Element | Field Position | Length | Source |
|-----------------------------------|-----------------------|---------------|--|
| GA Code | 25 – 27 | 3 | GA |
| Student SSN | 28 – 36 | 9 | STUDENT |
| Student Sequence Number | 37 – 40 | 4 | STUDENT |
| Loan Number | 41 – 49 | 9 | LOAN |
| Loan Sequence Number | 50 – 53 | 4 | LOAN |
| Loan Supp Number | 54 – 57 | 4 | LOAN |
| Loan Maturity Date | 58 – 65 | 8 | LOAN |
| Out Balance | 66 – 71 | 6 | LOAN |
| Lender Lst Res | 72 – 72 | 1 | LOAN |
| Current Loan Status | 73 – 74 | 2 | LOAN |
| Claim Date | 75 – 82 | 8 | INSUR_CL_PMT if FFEL LOAN_DEF_RTE_DEF if FDSLPL |
| Claim Reason | 83 – 84 | 2 | INSURANCE_CLAIM_PAYMENT if FFEL Derived if FDSLPL |
| Loan Type | 85 – 86 | 2 | LOAN |
| Loan Status Date | 87 – 94 | 8 | LOAN |
| Original School | 95 – 100 | 6 | SCHOOL |
| Original School Branch | 101 – 102 | 2 | SCHOOL_BRANCH |
| Student Current Last Name | 103 – 137 | 35 | STUDENT |
| Student Current First Name | 138 – 149 | 12 | STUDENT |
| Student Current Middle Initial | 150 – 150 | 1 | STUDENT |
| Student Current Date of Birth | 151 – 158 | 8 | STUDENT |
| Student Current SSN | 159 – 167 | 9 | STUDENT |
| Class Begin Date | 168 – 175 | 8 | LOAN |
| Class End Date | 176 – 183 | 8 | LOAN |
| Academic Level | 184 – 184 | 1 | LOAN |
| Loan Amount | 185 – 190 | 6 | LOAN |
| Guaranty Date | 191 – 198 | 8 | LOAN |
| Consolidated Loan Number | 199 – 207 | 9 | LOAN |
| Consolidated Loan Sequence Number | 208 – 211 | 4 | LOAN |
| Consolidated Loan Supp Number | 212 – 215 | 4 | LOAN |
| PC Consolidated Timestamp | 216 – 235 | 20 | Generated by program |
| PC Consolidated Sort | 236 – 236 | 1 | Generated by program |
| Original PC GA Code | 237 – 239 | 3 | Consolidated loans may overlay value to facilitate counting in later processes. Original value is retained for reporting purposes. |
| Original PC Current | 240 – 245 | 6 | Consolidated loans may overlay value to facilitate |

| Data Element | Field Position | Length | Source |
|--------------------------------|----------------|--------|--|
| Lender | | | counting in later processes. Original value is retained for reporting purposes. |
| Original Current Maturity Date | 246 – 253 | 8 | Consolidated loans may overlay value to facilitate counting in later processes. Original value is retained for reporting purposes. |
| Student Stat Code | 254 – 254 | 1 | STUDENT_BRANCH |
| Student Stat Date | 255 – 262 | 8 | STUDENT_BRANCH |
| Program Type | 263 – 263 | 1 | LOAN |
| Cumulative Amount | 264 – 269 | 6 | INSURANCE_CLAIM_PAYMENT |
| Filler | 270 - 275 | 6 | None. |

Procedure Assumptions

| # | Assumption |
|---|--|
| 1 | Cohort year is less than current year. |
| 2 | Cohort year is greater than 1987. |
| 3 | Default rate calculation request originating date is less than current date, but greater than current date – 3 months. |
| 4 | Default rate calculation request originating requester name is not spaces. |
| 5 | Default rate calculation request calculation is not spaces. |
| 6 | Default rate calculation request type is not spaces. |
| 7 | Default rate calculation request type is 'A' - Official, 'D' – Draft or 'Z' - Preview. |

1.2 Official/Draft Guaranty Agency and Lender Calculation

1.2.1 Procedure Specifications

| | |
|---------------------------------------|--|
| Procedure Name: | Draft/Official Guaranty Agency (GA) and Lender Calculation |
| Procedure Short Description: | The official CDR is calculated in August and distributed to GAs in September, the draft CDR is calculated in January and distributed to GAs in February. |
| Data Source: | NSLDS II |
| Procedure Frequency: | Official - One time per year (calculated in August and distributed in September) Draft - One time per year (calculated in January and distributed in February) |
| Detail Requirement References: | 5.191, 5.192 |
| Output Media: | Cohort Default Rate flat file, EDW Default Rate History table |
| Output Target Platform: | NSLDS II |
| Output Storage Requirements: | <ul style="list-style-type: none"> Flat file will be stored indefinitely, no backup will be provided EDW Default Rate History table will be stored to infinity |

Related Interfaces: PEPS GA CDR file (See System Interface Detail Design: I-PEPS-3)

1.2.2 Procedure Flow

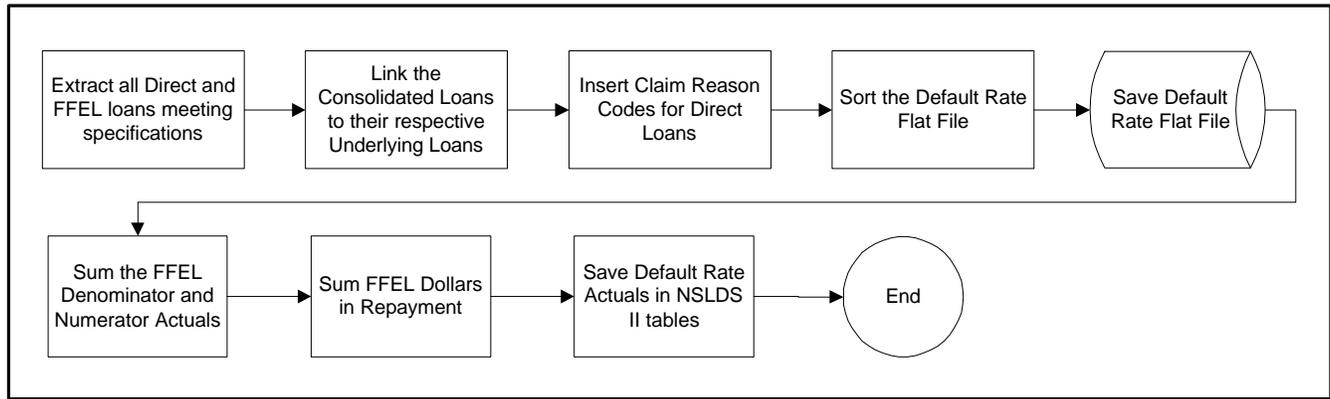


Figure 2, Official/Draft GA and Lender Cohort Default Rate

1.2.3 Computational Logic

Step 1 - Extract Cohort Default Rate Data and Create Flat File

1. Pull Loan Level Detail for all FFEL and Direct Loans with a maturity date (cur_mat_date) falling between 10/1/XXXX*-1 to 9/30/XXXX.
2. Do not include loan types CL, D5, or D6 if they do not have an associated PC, PN, or DN. (See section below about Defaults on FFELP and DLP Consolidated Loans)
3. Link the Consolidated Loans to their respective Underlying Loans by inserting Date/Time stamp and Consolidated Sort Number into the Default Rate Flat file. This will facilitate counting in later processes. The link itself is contained in the database but must be retained when writing to the flat file.
4. For Direct Loans insert an "IX" in the Claim Reason code if there is a Claim Date.
5. Sort the flat file data into four different sections by School, GA, Original Lender and Current Lender. Within these sections sort by Student SSN, Date/Time, and Consolidated Sort Number.
6. Save the flat file (See Section **1.1.3.1 Default Rate Flat File** for the file layout).

* XXXX represents the Cohort Year

Step 2 - Sum the Denominator and Numerator

Denominator:

1. Exclude loans with a Loan Status code (loan_stat) of:
 - AL – Abandoned loan
 - CA – Cancelled
 - UA – Temporarily Uninsured – No Default Claim Requested
 - UB – Temporarily Uninsured – Default Claim Denied
 - UC – Permanently Uninsured/Unreinsured – No Default Claim Requested
 - UD – Permanently Uninsured/Unreinsured – Default Claim Denied
 - UI – Unreinsured
2. Include loan type codes of:
 - SF – FFEL Subsidized Stafford Loan
 - SU – FFEL Unsubsidized Stafford Loan
 - SL – FFEL Supplemental Loans for Students
 - D1 – Direct Subsidized Loan
 - D2 – Direct Unsubsidized Loan
3. Exclude claim reason codes of:
 - CS – FFEL Closed School
 - FC – FFEL False Certification
4. When doing the calculation, keep the FFEL Denominator and FFEL Dollars in Repayment separate.

Numerator:

1. Of the FFELP (Federal Family Education Loan Program) loans included in the denominator:
 - Include loans with a default claim paid date (dt) from the insurance claim table (insur_cl_pmt) falling between 10/1/XXXX-1 to 9/30/XXXX+1, and
 - Include loans where the claim reason code is DF (FFEL Default).
2. Of the DLP (Direct Loan Program) loans included in the denominator:
 - Include loans with a default date (dt) from the default rate default table (loan_def_rt_def) falling between 10/1/XXXX-1 to 9/30/XXXX+1, and
 - Include loans where the claim reason code is IX (Direct Loan, Defaulted Loan)
3. Include defaults on FFELP and DLP Consolidated loans as identified in the section below.
4. When doing the calculation, keep the FFEL Numerator and FFEL Dollars in Default separate.
5. Store the values in the Default Rate History table with a Rate Type of 'A' – Annual (Official) or D - Draft depending on the type of Default Rate being calculated and a Rate Sub Type of 'A' - Actual.
6. If an 'AA' or 'DA' record does not exist for an active school, create a zero 'AA' or 'DA' record. All active schools from the school_branch table will now have an associated Default Rate.

Defaults on FFELP and DLP Consolidated Loans:

Schools use the underlying loan information for consolidation loans. For the FFELP and DLP loans included in the denominator with a loan status code of PC, PN or DN, the following additional steps are performed:

1. If the consolidated loan has more than one school associated with it, 1 is added to every school included in the consolidated loan.
2. If the consolidation of the underlying loan did not occur until after the end of the cohort period, use the current lender, GA, date claim paid and claim reason of the Underlying Loan that was valid at the end of the cohort period for numerator counting purposes.
3. If the underlying loan is part of a consolidation and the change in loan status to PC, PN or DN took place before the end of the cohort period and the underlying loan is not in default, use the current lender, GA, date claim paid and claim reason of the consolidation loan that was valid at the end of the cohort period for numerator counting purposes.

Procedure Assumptions

| # | Assumption |
|---|--|
| 1 | Cohort year is less than current year. |
| 2 | Cohort year is greater than 1987. |
| 3 | Default rate calculation request originating date is less than current date, but greater than current date - 3 months. |
| 4 | Default rate calculation request originating requester name is not spaces. |
| 5 | Default rate calculation request calculation is not spaces. |
| 6 | Default rate calculation request type is not spaces. |
| 7 | Default rate calculation request type is either 'A' or 'D'. |

1.3 Repayment Information Report (Notional Default Rate) School Calculation

1.3.1 Procedure Specifications

| | |
|---------------------------------------|--|
| Procedure Name: | Repayment Information Report (Notional) School Calculation |
| Procedure Short Description: | Notional Default Rates are calculated on a monthly basis for all Title IV schools to enable them to view their current default information. ED and GA's will also be able to view a School's Notional Default information. |
| Data Source: | NSLDS II |
| Procedure Frequency: | Monthly |
| Detail Requirement References: | 5.193 |
| Output Media: | Cohort Default Rate flat file, EDW Default Rate History table |
| Output Target Platform: | NSLDS II |
| Output Storage Requirements: | Flat file will be stored indefinitely, do not back up |
| Related Interfaces: | None |

1.3.2 Procedure Flow

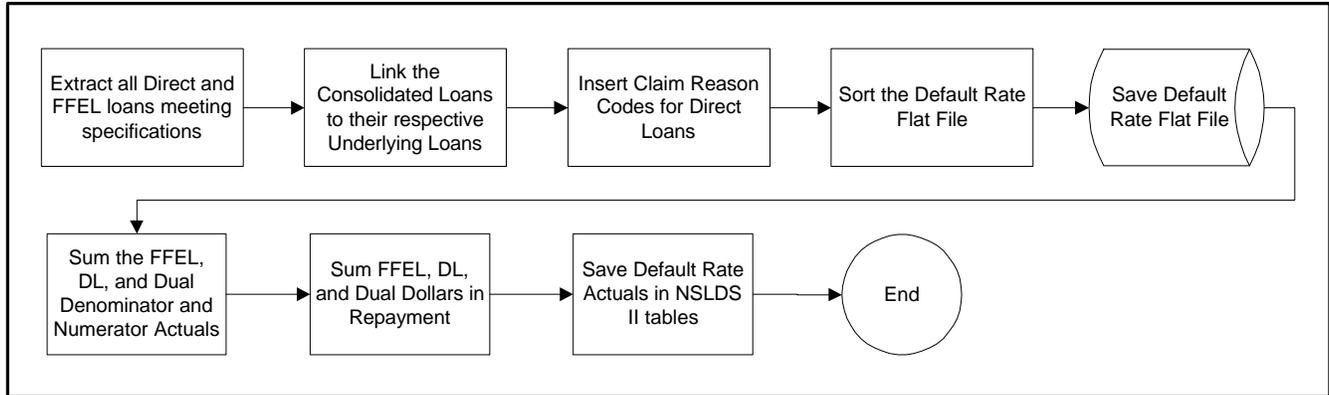


Figure 3, Repayment Information Report (Notional Default Rate) School Calculation

1.3.3 Computational Logic

Step 1 - Extract Cohort Default Rate Data and Create Flat File

1. Pull Loan Level Detail for all FFEL and Direct Loans with maturity date (*cur_mat_date*) falling between Current Month - 24 to Current Month - 1 (See **Section 1.3.3.1 Three-Year Sample** of Notional CDR calculations.)
2. Do not include loan types CL, D5, or D6 if they do not have an associated PC, PN, or DN. (See section below about Defaults on FFELP and DLP Consolidated Loans)
3. Link the Consolidated Loans to their respective Underlying Loans by inserting Date/Time stamp and Consolidated Sort Number into the Default Rate Flat file. This will facilitate counting in later processes. The link itself is contained in the database but must be retained when writing to the flat file.
4. For Direct Loans insert an "IX" in the Claim Reason code if there is a Claim Date.
5. Sort the data in the flat file into four different sections by School, GA, Original Lender and Current Lender. Within these sections sort by Student SSN, Date/Time, and Consolidated Sort Number.
6. Save the flat file (See **Section 1.1.3.1 Default Rate Flat File** for the file layout).

* XXXX represents the Cohort Year

Step 2 - Sum the Denominator and Numerator

Denominator:

1. Exclude loans with a loan status codes (loan stat) of:
 - AL – Abandoned loan
 - CA – Cancelled
 - UA – Temporarily Uninsured – No Default Claim Requested
 - UB – Temporarily Uninsured – Default Claim Denied
 - UC – Permanently Uninsured/Unreinsured – No Default Claim Requested
 - UD – Permanently Uninsured/Unreinsured – Default Claim Denied
 - UI – Unreinsured
2. Include loan type codes of:
 - SF – FFEL Subsidized Stafford Loan
 - SU – FFEL Unsubsidized Stafford Loan
 - SL – FFEL Supplemental Loans for Students
 - D1 – Direct Subsidized Loan
 - D2 – Direct Unsubsidized Loan
3. Exclude claim reason codes of:
 - CS – FFEL Closed School
 - FC – FFEL False Certification
4. When doing the calculation, keep the FFEL Denominator, DL Denominator, Dual Denominator, FFEL Dollars in Repayment, Direct Dollars in Repayment, and Dual Dollars in Repayment separate. The Dual Denominator is a sum of students that does not duplicate counts across programs (i.e. If a school has two students, one with FFEL and Direct defaulted loans and another with a FFEL defaulted loan only, the FFEL rate for the school would be $\frac{1}{2}$, the Direct would be $\frac{1}{1}$ and the Dual $\frac{1}{2}$. The first student is only counted once in the Dual even though he is in both programs). See **Appendix A** for an Example.

Numerator:

1. Of the FFELP (Federal Family Education Loan Program) loans included in the denominator:
 - Include loans where the claim reason code is DF (FFEL Default).
2. Of the DLP (Direct Loan Program) loans included in the denominator:
 - Include loans where the claim reason code is IX (Direct Loan, Defaulted Loan)
3. Include defaults on FFELP and DLP Consolidated loans as identified in the section below.
4. When doing the calculation, keep the FFEL Numerator, DL Numerator and Dual Numerator separate. The Dual Numerator is a sum of students that does not duplicate counts across programs (i.e. If a school has two students, one with FFEL and Direct defaulted loans and another with a FFEL defaulted loan only, the FFEL rate for the school would be $\frac{1}{2}$, the Direct would be $\frac{1}{1}$ and the Dual $\frac{1}{2}$. The first student is only counted once in the Dual even though he is in both programs).
5. Store the values in the Default Rate History table with a Rate Type of 'I' – Informational (Notional) and a Rate Sub Type of 'A' - Actual.
6. If an 'IA' record does not exist for an active school, create a zero 'IA' record. All active schools from the school_branch table will now have an associated Default Rate.

Defaults on FFELP and DLP Consolidated Loans:

Schools use the underlying loan information for consolidation loans. For the FFELP and DLP loans included in the denominator with a loan status code of PC, PN or DN, the following additional steps are performed:

1. If the consolidated loan has more than one school associated with it, 1 is added to every school included in the consolidated loan.
2. If the consolidation of the underlying loan did not occur until after the end of the cohort period, use the current lender, GA, date claim paid and claim reason of the Underlying Loan that was valid at the end of the cohort period for numerator counting purposes.
3. If the underlying loan is part of a consolidation and the change in loan status to PC, PN or DN took place before the end of the cohort period and the underlying loan is not in default, use the current lender, GA, date claim paid and claim reason of the consolidation loan that was valid at the end of the cohort period for numerator counting purposes.

Note - Refer to the **Repayment History Summary Report** for the National Repayment Information Report (Notional Default Rate) Calculation.

1.3.3.1 Three-Year Sample Calculation

| Month/ Year of Notional Calc | Actual Calc date for Notional (first weekend of succeeding month) | Notional Numerator range | Number of months | Notional Denominator range | Number of months | Last Official Cohort Numerator | Last Official Cohort Denominator | Month/Year of Notional Calc to be marked as non- viewable by schools and GAs | Months of Notional History Remaining |
|---------------------------------------|---|--------------------------------|------------------------|----------------------------------|------------------------|--------------------------------------|--|--|---|
| 1/00 | 2/6/00 | 02/98 - 01/00 | 24 | 02/98 - 01/99 | 12 | 10/96 - 9/98 | 10/96 - 9/98 | | 16 |
| 2/00 | 3/6/00 | 03/98 - 02/00 | 24 | 03/98 - 02/99 | 12 | 10/96 - 9/98 | 10/96 - 9/98 | | 17 |
| Drafts 3/00 | 4/3/00 | 04/98 - 03/00 | 24 | 04/98 - 03/99 | 12 | 10/97 - 9/99 | 10/97 - 9/98 | <=9/99(column 1) | 6 |
| 4/00 | 5/1/00 | 05/98 - 04/00 | 24 | 05/98 - 04/99 | 12 | 10/97 - 9/99 | 10/97 - 9/98 | | 7 |
| 5/00 | 6/5/00 | 06/98 - 05/00 | 24 | 06/98 - 05/99 | 12 | 10/97 - 9/99 | 10/97 - 9/98 | | 8 |
| 6/00 | 7/3/00 | 07/98 - 06/00 | 24 | 07/98 - 06/99 | 12 | 10/97 - 9/99 | 10/97 - 9/98 | | 9 |
| 7/00 | 8/1/00 | 08/98 - 07/00 | 24 | 08/98 - 07/99 | 12 | 10/97 - 9/99 | 10/97 - 9/98 | | 10 |
| 8/00 | 9/4/00 | 09/98 - 08/00 | 24 | 09/98 - 08/99 | 12 | 10/97 - 9/99 | 10/97 - 9/98 | | 11 |
| 9/00 | 10/2/00 | 10/98 - 09/00 | 24 | 10/98 - 09/99 | 12 | 10/97 - 9/99 | 10/97 - 9/98 | | 12 |
| 10/00 | 11/6/00 | 11/98 - 10/00 | 24 | 11/98 - 10/99 | 12 | 10/97 - 9/99 | 10/97 - 9/98 | | 13 |
| 11/00 | 12/4/00 | 12/98 - 11/00 | 24 | 12/98 - 11/99 | 12 | 10/97 - 9/99 | 10/97 - 9/98 | | 14 |
| 12/00 | 1/1/01 | 01/99 - 12/00 | 24 | 01/99 - 12/99 | 12 | 10/97 - 9/99 | 10/97 - 9/98 | | 15 |
| 1/01 | 2/5/01 | 02/99 - 01/01 | 24 | 02/99 - 01/00 | 12 | 10/97 - 9/99 | 10/97 - 9/98 | | 16 |
| 2/01 | 3/4/01 | 03/99 - 02/01 | 24 | 03/99 - 02/00 | 12 | 10/97 - 9/99 | 10/97 - 9/98 | | 17 |
| Drafts 3/01 | 4/1/01 | 04/99 - 03/01 | 24 | 04/99 - 03/00 | 12 | 10/98 - 9/00 | 10/98 - 9/99 | <=9/00(column 1) | 6 |
| 4/01 | 5/6/01 | 05/99 - 04/01 | 24 | 05/99 - 04/00 | 12 | 10/98 - 9/00 | 10/98 - 9/99 | | 7 |
| 5/01 | 6/3/01 | 06/99 - 05/01 | 24 | 06/99 - 05/00 | 12 | 10/98 - 9/00 | 10/98 - 9/99 | | 8 |
| 6/01 | 7/1/01 | 07/99 - 06/01 | 24 | 07/99 - 06/00 | 12 | 10/98 - 9/00 | 10/98 - 9/99 | | 9 |
| 7/01 | 8/5/01 | 08/99 - 07/01 | 24 | 08/99 - 07/00 | 12 | 10/98 - 9/00 | 10/98 - 9/99 | | 10 |
| 8/01 | 9/2/01 | 09/99 - 08/01 | 24 | 09/99 - 08/00 | 12 | 10/98 - 9/00 | 10/98 - 9/99 | | 11 |
| 9/01 | 10/1/01 | 10/99 - 09/01 | 24 | 10/99 - 09/00 | 12 | 10/98 - 9/00 | 10/98 - 9/99 | | 12 |
| 10/01 | 11/4/01 | 11/99 - 10/01 | 24 | 11/99 - 10/00 | 12 | 10/98 - 9/00 | 10/98 - 9/99 | | 13 |
| 11/01 | 12/2/01 | 12/99 - 11/01 | 24 | 12/99 - 11/00 | 12 | 10/98 - 9/00 | 10/98 - 9/99 | | 14 |
| 12/01 | 1/6/02 | 01/00 - 12/01 | 24 | 01/99 - 12/00 | 12 | 10/98 - 9/00 | 10/98 - 9/99 | | 15 |
| 01/02 | 2/3/02 | 02/00 - 01/02 | 24 | 02/00 - 01/01 | 12 | 10/98 - 9/00 | 10/98 - 9/99 | | 16 |
| 02/02 | 3/3/02 | 03/00 - 02/02 | 24 | 03/00 - 02/01 | 12 | 10/98 - 9/00 | 10/98 - 9/99 | | 17 |
| Drafts 03/02 | 4/1/02 | 04/99 - 03/02 | 24 | 04/00 - 03/01 | 12 | 10/99 - 9/01 | 10/99 - 9/00 | <=9/01(column 1) | 6 |
| 04/02 | 5/5/02 | 05/00 - 04/02 | 24 | 05/00 - 04/01 | 12 | 10/99 - 9/01 | 10/99 - 9/00 | | 7 |
| 05/02 | 6/2/02 | 06/00 - 05/02 | 24 | 06/00 - 05/01 | 12 | 10/99 - 9/01 | 10/99 - 9/00 | | 8 |
| 06/02 | 7/1/02 | 07/00 - 06/02 | 24 | 07/00 - 06/01 | 12 | 10/99 - 9/01 | 10/99 - 9/00 | | 9 |
| 07/02 | 8/4/02 | 08/00 - 07/02 | 24 | 08/00 - 07/01 | 12 | 10/99 - 9/01 | 10/99 - 9/00 | | 10 |
| 08/02 | 9/1/02 | 09/00 - 08/02 | 24 | 09/00 - 08/01 | 12 | 10/99 - 9/01 | 10/99 - 9/00 | | 11 |
| 09/02 | 10/6/02 | 10/00 - 09/02 | 24 | 10/00 - 09/01 | 12 | 10/99 - 9/01 | 10/99 - 9/00 | | 12 |
| 10/02 | 11/3/02 | 11/00 - 10/02 | 24 | 11/00 - 10/01 | 12 | 10/99 - 9/01 | 10/99 - 9/00 | | 13 |
| 11/02 | 12/1/02 | 12/00 - 11/02 | 24 | 12/00 - 11/01 | 12 | 10/99 - 9/01 | 10/99 - 9/00 | | 14 |
| 12/02 | 01/5/03 | 01/02 - 12/02 | 24 | 01/01 - 12/01 | 12 | 10/99 - 9/01 | 10/99 - 9/00 | | 15 |

Procedure Assumptions

| # | Assumption |
|---|--|
| 1 | Cohort year is less than current year. |
| 2 | Cohort year is greater than 1987. |
| 3 | Default rate calculation request originating date is less than current date, but greater than current date - 3 months. |
| 4 | Default rate calculation request originating requester name is not spaces. |
| 5 | Default rate calculation request calculation is not spaces. |
| 6 | Default rate calculation request type is not spaces. |

1.4 State Calculation

Refer to the **Default Management Summary Report** document for the Default Rate State Calculation.

1.5 National Calculation

Refer to the **Default Management Summary Report** for the Default Rate National Calculation.

1.6 Appendix A – Default Rate Count Process

(See attached Matrix)

1.7 Appendix B – Combination Example

(See attached Matrix)

1.8 Appendix C – Substitution Example

(See attached Matrix)