DJA

NEW LEAF

JANUARY 2025 NEWSLETTER

Happy New Year! January has flow by and with it came many industry updates, a presidential shift and for lack of a better word- regulatory chaos amidst it all. As we reflect on the 2024 calendar year, the word that comes to mind is "challenge". The year started with immediate delays to the 24/25 FAFSA and quickly escalated to a tumultuous release combined with erroneous data and reprocessed ISIRs. As we shifted near the start of the award year, many schools worked tirelessly with states to adjust the minimum hours of programs to meet the regulatory changes under the Bare Minimum Rule. Thankfully, in the eleventh hour a legal pause was enacted because of a lawsuit brought on by the Cordova Institute.

Fall brought with it the anticipated Financial Value Transparency and Gainful Employment reporting requirement, which ended up with several delays due to data errors within the FVT/GE NSLDS reports and Draft Completer List. While the deadline was pushed to January 15th, many schools spent the holiday break collecting data for the submission reporting and battling with system issues while attempting to submit timely. The most recent hiccups bring us to most recent delay to the FVT/GE reporting with an updated deadline of February 18th as FSA recognized the number of institutions impacted with problems submitting.

While 2024 most definitely brought its challenges, it also strengthened our "community." As a third-party servicer, we have the privilege of being involved in many industry groups (CECU, AACS, CSPEN to name a few) and attend many conventions, as well as being privy to much of industry chatter. I personally witnessed industry groups aligning with each other to help all institutions (partners or not) wade through the trenches of uncertainty. Vendors and institutions who may exist as competitors in this space offered insight into effective strategies that worked best for them and provided assistance without hesitation. One of my favorite quotes is by Corrie Ten Boom, "In order to realize the worth of the anchor, we need to feel the stress of the storm." I hope that as 2025 races forward, we walk away from the past year focused on the discovery of our anchor, the higher education community, and less on the challenges of the storm we all endured.

Wishing you all the best for the year ahead,

***Renee Ford,* Vice President**

IMPORTANT DATES:

February
Release of the Draft CDR

February 3
Deadline for 24/25 Campus-Based Underuse Waiver

February 12
DJA Webinar: Consumer Information

February 19-20
Orbund Vision Conference

March 5
DJA Webinar: Administrative Capability

March 26-27
ABHES Conference

IN THIS ISSUE:

IN THE NEWS: PRESIDENT TRUMP BECOMES THE 47TH PRESIDENT- ENACTS IMMEDIATE FEDERAL SPENDING FREEZE CAUSING AGENCY UPROAR, LATER RESCINDS

On January 20th, President Trump took office as the 47th President of the United States. Regardless of political affiliation, I think we can all agree Trump made campaign promises to enact change upon entering his second term as President. Within his first week in office, the Trump administration called for a spending pause on federal assistance by 5 p.m. Tuesday, January 28th. Through a memorandum initiated by the White House Office of Management and Budget (OMB) the freeze was required to allow "Federal agencies to identify and review all Federal financial assistance programs and supporting activities consistent with the President's policies and requirements."

While the memo provided the spending pause would not impact Medicare and Social Security benefits, or "assistance provided directly to individuals," it initially appeared unclear the impact it would have on the Title IV FSA program funds. The lack of clarity caused many schools to field panicked calls from students and parents alike as they feared delayed funds would result in missed tuition payments and possible disruption to their education. Thankfully, industry groups, such as CECU, provided early communications sharing FSA confirmed the freeze would not impact Title IV funding. That confirmation was later reinforced when FSA published an Electronic Announcement.

The excitement didn't end there as the spending freeze came under immediate legal challenges, as a lawsuit was initiated by nonprofit groups that receive federal money. As a result, a federal judge placed a temporary block on the federal funding freeze literal minutes before it was planned to go into effect. The injunction was planned to last until Monday afternoon (February 3rd), as a hearing was scheduled that morning to review the case. In what appears as a response to the lawsuit, the Trump administration rescinded the spending freeze just 45 hours later Wednesday, January 29th in a short two sentence memo.

It remains unclear what future actions may be enacted to accomplish the same review of Federal financial assistance programs.

REPORTING DEADLINE DELAYED FOR FVT/GE SUBMISSIONS

Wednesday, January 15th, marked the deadline for the Financial Value Transparency and Gainful Employment reporting, including reviewing the Draft Completer List for accuracy. The Department of Education moved quickly on their promise to generate the Final Completer List as they were released to SAIG mailboxes on the following day, Thursday, January 16th.

FSA provided an Electronic Announcement addressing the publication of the Final Completer Lists, as well as addressing issues identified during the student/program submission process. The EA shares that ED has reopened NSLDS for debt reporting (student and program submissions) until **February 18, 2025.** They cited the reason for this extension is due to the significant number of reports submitted in the final days before the January 15th deadline led to significant increases in processing time. As a result, institutions that submitted reports in the last several days were not always able to receive timely reports indicating errors that needed to be corrected.

This secondary reporting window ending February 18, 2025, affords institutions time to complete debt reporting and correct any issues that they may not have had time to address from prior submissions. The Department will no longer accept information from institutions for this reporting cycle after 11:59 p.m. Eastern Time on February 18, 2025. **An institution that was unable to complete debt reporting by February 18 will be required to provide all required data for this cycle that it was unable to provide by the deadline during the next reporting cycle. We will provide more information about that process in the future.**

As we assisted many clients in preparing the student and program reports, as well as uploading submissions and working errors through the SAIG Mailbox, we encountered several challenges ourself and developed a list of tips and workarounds.

A few troubleshooting notes:

- Make sure your program length on the program submission is less than 35 characters. Remove any commas, periods or other punctuation marks.
- Remember you are reporting at the 6-digit OPEID level, not the 8 digit so drop off the last two characters (they define your campus level if you have multiple locations within the same OPEID).
- Make sure if you list your accrediting agency on the program submission it is less than 35 characters. The FSA Tech conversation has been recommending to use acronyms.
- Double check all your formatting meets the guidelines within the NSLDS FVT/GE User Guide.
- On the student submission, your reported data must match exactly as it is in the NSLDS certified program enrollment. Even if you used the FVT/GE reports provided by NSLDS, we experienced rejects of 22 (program doesn't match in NSLDS- typical offenders are to check the CIP code, credential level, program length and/or weeks in the AY) and/or 21 (the student has a Z or a X status). I have often found if the student matches everything, we go in and re-type the weeks and/or program length and re-certify the record.
- If you have a reject 21 code as matching to an X or Z status, make sure the information you reported for the program maps to your G or W status (not the X or Z status)

Completer List- What Will This Be Used For?

[Dear Colleague- GEN-24-04] outlines that the cohort of students contained in your completer list will be those who graduated from your programs in the two-year cohort of 17/18 and 18/19 award years. If you did not have at least 30 completers in the two-year cohort, ED has expanded to a four- year cohort and pulled in 15/16 and 16/17. If there are not at least 30 completers in the four-year cohort, your school will have a blank Final Completer list.

While ED has released the lists to schools, it is also transmitting the Final Completer List to the IRS to determine the 2022 median earnings data for your programs. The IRS then calculates and returns to the Department the median annual earnings of students for whom it was able to match earnings data. If the earnings data from the IRS includes reports from records of earnings on at least 30 completers, the Department uses the median annual earnings provided by the IRS to calculate the D/E rates and EP measure for each program.
If the IRS is unable to match one or more of the students on the final list, we exclude the same number of students with the highest loan debts as the number of students whose earnings the IRS did not match in calculating median

loan debts. For example, if the IRS is unable to match three students out of 100 students, the Secretary orders by amount the debts of the 100 listed students and excludes from the D/E rates calculation the three largest loan debts. For a quick reminder, the Debt to Earnings Measure (D/E Rates) will have two separate rates calculated:

Discretionary income rate = annual loan payment divided by the discretionary earnings, defined as the median annual earnings of the students included in the applicable cohort less 1.5 times the U.S. Department of Health and Human Services (HHS) Poverty Guideline corresponding to the calendar year for which earnings are obtained. The Poverty Guideline is currently published by HHS at https://aspe.hhs.gov/poverty.

Annual earnings rate = annual loan payment divided by the median annual earnings of the students who completed the program in the applicable cohort.

The Earnings Premium Measure (EP) compares the median annual earnings of graduates of the program to the "earnings threshold" for the program. We've already reviewed the median annual earnings of the program and how it is calculated from your completer list. The earnings threshold for each program is calculated as the median earnings of individuals with only a high school diploma or recognized equivalent, between the ages of 25 to 34, who are either employed or report being unemployed (i.e., looking and available for work), located in the State in which the institution is located, or nationally if the institution is a foreign institution or if fewer than 50 percent of students in the program are from the State where the institution is located.

The Department determines the earnings thresholds and publishes the thresholds annually through a notice published in the *Federal Register*. The *Federal Register* was published on December 31, 2024. The national earnings threshold is $31,269. Utilize the link to determine the earnings threshold for your state.

There has been a lot of discussion within the industry on whether the new presidential leadership will revoke the FVT/GE regulations. At this point, any statements are truly conjecture. We do feel the current administration is pushing quickly to obtain the data and take the action steps outlined within the Dear Colleague regarding the FVT/GE regulations before the change in office. As we become aware of any status changes to these regulations, we will notify our clients immediately.

NSLDS POST SCREENING FOR 24/25: NEW FINANCIAL AID HISTORY REPORT

In July, in Electronic Announcement (EA) GENERAL-24-84, the Department (ED) indicated that NSLDS Post-screening functionality would be available by the end of 2024. In an EA published January 17th, ED now expects to release this functionality in spring 2025. This means that, until that time, FPS will not generate updated Institutional Student Information Records (ISIRs) for applicants with new information based on the results of NSLDS Post-screening. ED recognizes the ongoing administrative burden that this additional delay presents. To help support schools, NSLDS will provide an Excel file (.xlsx) that identifies applicants for the 2024–25 award year whose eligibility status has changed since their initial 2024–25 FAFSA submission, based on the reasons outlined in a table below:

Reason Code	Description of NSLDS Eligibility Conditions	Reason Code	Description of NSLDS Eligibility Conditions
1	The student entered default on a Title IV loan that was previously not in default	14	Loan entered active bankruptcy
2	Became obligated for a new overpayment of a Title IV grant or loan	15	Direct Loan PLUS MPN status change
3	Cleared a previously reported Default of a Title IV loan	16	Graduate Direct Loan PLUS MPN status change
4	Cleared an overpayment	17	A fraud conviction was added to the student's record
5	Master Promissory Note (MPN) status change (Stafford)	18	A fraud conviction on the student's record was cleared
6	A loan was discharged for Disability	19	TEACH Grant was converted to a loan
7	A loan went out of Disability discharged status	20	Pell eligible and met or exceeded Pell lifetime limit
9	Student has exceeded subsidized aggregate loan limit	21	No longer meeting or exceeding Pell lifetime limit
10	Student has exceeded combined aggregate loan limit	22	Pell eligible and close to Pell lifetime limit
11	Exceeding subsidized loan limit resolved	23	No longer close to Pell lifetime limit
12	Exceeding combined loan limit resolved	24	Unusual enrollment history status change

ED has included almost all Reason Codes in the posted files. Schools can filter by Reason Code to find students who need specific follow-up activities. Reason Code 01 (for students who entered default on a *Title IV* loan that was previously not in default) has been excluded at this time to allow the department to review the default status of borrowers who participated in Fresh Start. Reason Code 01 will be included in the second set of files sent in one month (by February 28).

The NSLDS Post-screening Eligibility Changes file will be available for download on the Common Origination & Disbursement (COD) website for all schools by January 31 and then updated monthly. Any eight-digit OPEID associated with the impacted post-screened applicants who have received a loan or grant, as well as any eight-digit OPEID where the post-screened applicant has a certified enrollment status of 'F' (full-time), 'Q' (three-quarter time), 'H' (half-time), 'L' (less than half-time), 'A' (leave of absence), 'G' (graduated), 'W' (withdrawn), or 'D'(deceased), will receive a file that includes these applicants. Schools should review the list of applicants provided and filter the information that is relevant to your school to take appropriate actions. The file will include applicant identifiers along with the post-screening reason code, indicating what has changed since their initial 2024–25 FAFSA form. Schools can access the file by going to the COD website, selecting the School tab, navigating to the School Information section, and then proceeding to the File Share/Messages section to download the **NSLDS Post-screening Eligibility Changes** file for your OPEID.

Note: The NSLDS Post-screening Eligibility Changes file will be available on the COD website for 180 days before it expires.

Schools (or their third-party servicers) can use the information in the file to request financial aid history for listed applicants through the normal NSLDS Financial Aid History batch process, or through the upcoming Financial Aid History (FAH) Report (FAT001). Both options will help in eligibility determinations, as the output response from both the FAH batch process and the FAT001 report will provide aggregate loan amounts, overpayments, lifetime Pell amounts, and other important details for *Title IV* grants and loans. Schools also have the option to review individual student records through the NSLDS Professional Access website.

The NLSDS Financial Aid History Report (FAT001) was made available on January 29th on the NSLDS Professional Access Website. As promised in the initial EA, the report aids schools in determining the types and amounts of *Title IV* aid a student is eligible to receive by providing loan and grant history. It also informs schools of a student's default on a *Title IV* loan and any obligation to an overpayment of *Title IV* aid.

The FAT001 Report can be requested from the Financial Aid History Report (FAT001) page under the School tab on NSLDS Professional Access. To receive the report, a valid SAIG TG mailbox associated with the requesting user's six-digit OPEID must be entered, and the user must select a preferred format for receiving the information (extract file or a formatted report). The report will be delivered to the designated SAIG TG mailbox using the following message classes:

- FAHEXTOP – Extract format
- FAHREPOP – Report format

To add a student or multiple students in the FAT001 request, select the 'Add Person' button to add the student information. You must add at least one student, with a maximum of 50 students permitted. Along with entering the SAIG TG Mailbox and preferred format, it is required to provide the following student identifiers to receive their financial aid history:

- Social Security Number (SSN)
- First Name
- Last Name
- Date of Birth (DOB)

Once the request has been successfully submitted, the FAT001 Report will be delivered to the designated SAIG TG Mailbox within one hour.

The FAT001 Report uses the same layout as the Transfer Student Monitoring Alert/Financial Aid History Batch File Layout.

Once FPS is able to generate ISIRs for applicants with updated information from NSLDS Post-screening in spring 2025, the applicants listed in the NSLDS Post-screening Eligibility Changes file will still go through the normal NSLDS Post-screening process, and schools will receive an updated ISIR.

As a reminder, if an institution disbursed aid for a student, and the student's eligibility for *Title IV* funds is subsequently reduced and creates an overpayment, the school must resolve the overpayment. Additional information regarding a school's responsibility for resolving overpayments can be found in Volume 4, Chapter 3 of the Federal Student Aid Handbook. As a reminder, new regulations, under §668.14(b)(33), that took effect July 1 state that schools cannot take a negative action against a student for a balance that resulted from an error.

With consideration to general disbursement rules outlined in Volume 4, Chapter 2 of the Federal Student Aid Handbook, schools may wait for ISIRs to be generated from the implementation of NSLDS post-screening in the spring to make a disbursement; the files that will be posted by January 31 in COD are for convenience and to allow for earlier action to prevent or correct overpayments. Schools should refer to Electronic Announcement GENERAL-24-94 for the Department's previous guidance on an extension for reporting disbursements to COD for the 24-25 award year. Schools should also keep in mind obligations under §668.16(s) to disburse funds, "in a timely manner that best meets the students' needs."

REPROCESSING OF 24/25 FAFSA RECORDS CONTINUE

In late December, FSA published an EA outlining the conclusion of month-long reprocessing for 24/25 FAFSA records impacted by several issues. As noted early on in the 24/25 implementation, there were a number of issues identified which required reprocessing of the application and a subsequent reprocessed ISIR to be generated. For a complete summary of historical ISIR reprocessing issues, visit EA GENERAL-24-67, which includes a comprehensive description of the reprocessed reason codes. The most recent reprocessing occurred for three broad reasons, with each assigned a separate reprocessing code as outlined here:

Reprocessing Reason Code "12"

These records were impacted when assets for the student (or their contributors) are collected by the FAFSA form and subsequently used in the Student Aid Index (SAI) calculation even when they meet criteria under the law for an exemption from reporting assets. The underlying issue that caused this error has been resolved and no further inaccurate records are anticipated. The Department communicated about the intention to reprocess these records in a September 27 electronic announcement (GEN-24-116), and reprocessing was completed on November 22. Overall, 21,660 records were reprocessed, with approximately one-third resulting in a decreased SAI and the remainder seeing no SAI change. 21 records have no SAI after re-processing. These records will require a correction to provide the missing data required to calculate an SAI.

Reprocessing Reason Code "13"

These are paper FAFSA applications which were in a rejected status because of a data inconsistency in a backend system. The Department previously acknowledged this issue in a November 27 electronic announcement (GEN-24-139). The underlying issue that caused this error was resolved on November 29 and no additional reprocessing is required. 2,413 records were reprocessed, with 1,011 now successfully complete and 1,402 rejected and still requiring action. The rejection reasons for the latter group are now set appropriately on the FAFSA Submission Summary and ISIR and should be dealt with in line with instructions for resolving rejects based upon the listed comment code.

Reprocessing Reason Code "14"

These records had conflicting information when FTI and manually reported non-filer status exist on the same ISIR. The Department previously acknowledged this issue and provided guidance for schools to manually resolve the conflicting information in a June 17 electronic announcement (GEN-24-71). The Department communicated about the intention to reprocess these records in a September 27 electronic announcement (GEN-24-116), and reprocessing was completed on December 13. 183,087 records were reprocessed, with 5,927 now successfully complete and 177,157 rejected and still requiring action. The rejection reasons for the latter group are now set appropriately on the FAFSA Submission Summary and ISIR and should be dealt with in line with instructions for resolving rejects based upon the listed comment code. While reprocessed records with code "14" will now correctly rely upon FTI to calculate eligibility, records may still be rejected and require corrections to calculate the Student Aid Index (SAI) if the applicant and their contributors did not answer certain financial questions (i.e., foreign income excluded from taxation, pension rollovers, IRA rollovers, and Earned Income Tax Credit) because they initially indicated they were a non-tax filer. If a correction is required to resolve the reject and calculate the Student Aid Index (SAI), students and their contributors may make the correction themselves at StudentAid.gov and follow the prompts to answer the missing questions. Schools still have the option to make corrections in FAFSA Partner Portal to provide answers to the missing questions based on documentation collected for the applicant and their contributors, as outlined in GEN-24-71. Schools are also reminded that if they followed the guidance in GEN-24-71 and resolved the conflicting information prior to the reprocessing, after following the requirements outlined in Chapter 5 of the Application and Verification Guide in the 2024-25 FSA Handbook, to review all incoming ISIRs, the school may continue to disburse on the previously resolved ISIR transaction. If the record was updated to note that the student was a tax filer, the record was not reprocessed.

Ongoing Conflicting Information

The underlying issue allowing for FTI and manually reported non-filer status to exist on the same ISIR has been improved as part of a release in November but still remains for a small number of students. Fully resolving this issue is a priority for the Department and a fix is in development with a planned deployment in the first quarter of 2025. The most recent EA announces another round of reprocessing of impacted records will need to be performed once the fix is deployed. Until that time, schools can follow the guidance in GEN-24-71 to resolve conflicting information by making a correction in the FAFSA Partner Portal. Students can also make corrections directly.

UPDATE ON TIMELINE FOR BATCH CORRECTIONS AND ISIR YTD FILE AVAILABILITY

The 24/25 FAFSA rollout not only provided delays and issues with the ISIRs but also delays in certain core functions of FSA systems, including batch corrections and the ability to request a YTD ISIR file. ED shared in a January EA, the functionality for batch corrections via the EDE, is still slated for release in Q1 2025 as previously communicated in GENERAL-24-96 in November.

ED expects to finalize shortly a testing period including a subset of institutions who participated in the fall beta and their vendors to submit batch corrections for testing. This period will be utilized to test a variety of scenarios and ensure that records are being processed successfully. Based on the result of this beta period, ED will make any needed adjustments before beginning to process batch corrections for all institutions for both 2024–25 and 2025–26 award years. The expected release date is projected before the end of February and will be outlined in a forthcoming announcement.

IMPORTANT: To avoid processing conflicts, the Department will clear the queue of all batch corrections files for 2024–25 and 2025–26 that were transmitted, but not processed, prior to the general release date. This means that institutions that had submitted any 2024–25 or 2025–26 batch records prior to the general release will need to resubmit any records that still need to be processed. This does not include institutions participating in the beta period, whose records will be processed, reviewed, and verified with the institutions and vendors during the beta period. For more information on preparing for the release of batch corrections, we encourage you to read the EA in its entirety.

FAQ RELEASED ON ADMINISTRATIVE CAPABILTY AND FINANCIAL RESPONSIBILITY

This past July, new regulations on Administrative Capability and Financial Responsibility were implemented. As with any new regulations, policy questions are often presented to the Department (ED) for clarity. To address those inquiries, the Office of Postsecondary Education recently published a Frequently Asked Questions (FAQ) on their website broken out by their respective topic: Administrative Capability and Financial Responsibility.

The FAQ on Administrative Capability is divided into seven different categories:

- Financial Aid Counseling (FAC)
- Significant Negative Action or Finding (SNA/F)
- High School Diploma (HSD)
- Adequate Career Services (ACS)
- Geographically Accessible Clinical or Externships (GACE)
- Timely Funds Disbursements (TFD)
- Gainful Employment (GE)

The Financial Responsibility topic page on the singular topic and addresses twenty-four questions/answers.

In our October newsletter we went into a deep dive on the financial responsibility regulations and the documentation requirements for mandatory and discretionary trigger reporting under financial responsibility.

January 2025

COMPLIANCE CORNER

PREPARING FOR DRAFT COHORT DEFAULT RATES

The U.S. Department of Education (the Department) calculates cohort default rates twice each year. Generally, the Department sends draft cohort default rates to schools in February. After schools receive their draft cohort default rate data, schools are provided an opportunity to identify and correct any inaccuracies by submitting an incorrect data challenge. Schools also have the opportunity to challenge a potential loss of eligibility or potential placement on provisional certification by submitting a participation rate index challenge. The Department then calculates and releases the official cohort default rates. Official cohort default rates are generally released to schools and the public approximately six months after the release of the draft cohort default rates. Official cohort default rates must be released no later than September 30th each year.

As the February release of the Draft CDR approaches, let's review why it is important to review these reports and submit challenges if discrepancies are identified. For a regulatory overview, it is a requirement of participation in the FSA programs that schools must demonstrate they are financially responsible. The financial responsibility standards can be divided into two categories: (1) general standards, which are the basic standards used to evaluate a school's financial health, and (2) performance and affiliation standards, which are standards used to evaluate a school's past performance and to evaluate individuals affiliated with the school. For our purposes today, we are going to focus on one specific standard of the general standards. For an oversight understanding the general standards state that A proprietary or private nonprofit school is considered financially responsible

- if the Department determines that the school has a composite score of at least 1.5
- the school has sufficient cash reserves to make required returns of unearned Title IV funds, as provided under the refund reserve standards
- the school or persons affiliated with it are not subject to a condition of past performance
- the school is able to meet all of its financial obligations and provide the administrative resources necessary to comply with Title IV program requirements.
    - A school is not deemed able to meet its financial or administrative obligations if it fails to make refunds under its refund policy or return Title IV funds it is responsible for under the R2T4 rules, or if it
    - fails to make repayments to the Department for any debt or liability arising from its participation in the Title IV programs,
    - Or if the school is subject to a mandatory triggering event or to a discretionary triggering event that the Department determines is likely to have a material adverse effect on their financial condition. It is this sub-standard that includes the calculation of the Cohort Default Rate and how that value reflects on a school's financial responsibility.

The now designated mandatory trigger (before the July 1st implementation of the final regulations it was a discretionary trigger) of the Cohort Default Rate which is outlined as occurring when the school's two most recent official cohort default rates are 30 percent or greater, THAT IS –unless the school files an appeal for one or both of those fiscal years that either remains pending, results in reducing below 30 percent the default rate for one or both of those years, or precludes the rate from one or both years from resulting in a loss of eligibility. To avoid a mandatory trigger, it is important to stay on top of your institution's CDR calculation and ensure it stays below the 30 percent threshold.

An important action step is to ensure you review the draft CDR received in February against your own institutional records. After receipt of draft rate data, schools are provided an opportunity to identify and correct any inaccuracies by submitting an incorrect data challenge. Schools have the opportunity to challenge a potential loss of eligibility or potential placement on provisional certification by submitting a participation rate index challenge. The Department electronically transmits cohort default rate (eCDR) notification packages to all schools, using the Student Aid Internet Gateway (SAIG) destination point administrator (DPA) designated by the school. All schools are allowed five business days to report any problems with the electronic transmission of their eCDR packages. Timelines for submitting challenges, adjustments, and appeals begin on the sixth business day following the announced transmission date. The data file received in the SAIG mailbox includes 2 files- the cover letter and also the loan record detail (LRDR) information in an unformatted extract. Beginning with 2023, the CDR package no longer includes what we used to call the user-friendly Loan Record Detail Report (however, those can be obtained in NSLDS).

A LRDR contains information on the loans that were used to calculate a school's draft or official cohort default rate. The LRDR lists a school's Federal Family Education Loan (FFEL) and/or William D. Ford Federal Direct Loan (Direct Loan) activity, including but not limited to: the number of borrowers who entered repayment during a given fiscal year, and the loan status of those borrowers. Note that the information on the LRDR includes loan information that the schools and data managers have submitted to the National Student Loan Data System (NSLDS).

The LRDR is used to verify information such as "Date Entered Repayment," and is the basis for:

- Incorrect data challenges (draft rates)
- Uncorrected data adjustments
- New data adjustments
- Erroneous data appeals

Why should a school review the LRDR for the DRAFT cohort default rates?

- Unless it is corrected, the draft cohort default rate data will be used to calculate the official cohort default rates. Therefore, it is important for the school to verify the accuracy of the draft cohort default rate data before the official cohort default rates are calculated and released.
- If the school does not challenge draft cohort default rate data that the school believes is incorrect, the school forfeits the right to submit certain types of adjustments and appeals when the official cohort default rates are released.

A school should review the LRDR by comparing the school's records to the information on the LRDR. A school can simplify this process by creating a spreadsheet or database using information from the school's records. The Cohort Default Rate Guide only recommends the use of a school spreadsheets; it is up to your school to consult its technical staff to discuss database creation. It is important to note that a school does not need to wait until the release of the cohort default rates to create the school's spreadsheet. This spreadsheet can now be used to compare to the LRDR or even the repayment information in NSLDS or various data managers. In doing so, it is recommended the school ask the following questions:

- Is each data element on the school's spreadsheet the same as the corresponding element on the LRDR (if not, the data may be incorrectly reported)?
- Are there borrowers on the LRDR that are not on the school's spreadsheet (if so, the borrowers may be incorrectly included)?
- Are there borrowers on the school's spreadsheet that are not on the LRDR (if so, the borrowers may be incorrectly excluded)?

Using NSLD to Monitor Loans:

On at least a monthly basis, school staff should compare the default and repayment status reports available through the National Student Loan Data System (NSLDS) with the school's own data. This gives the school a chance to identify and correct errors before the draft or official cohort default rates are released. If an error is found in a student's record, the school should contact the appropriate data manager to resolve the discrepancy. Repayment information also helps schools ensure the data reported to NSLDS is accurate. Schools that monitor borrowers' repayment and default status can contact data managers as errors occur instead of waiting until the release of the cohort default rates to correct inaccuracies. Schools that monitor borrowers' repayment status can identify borrowers who have just entered repayment and make sure that they are aware of all of the repayment options available to them. This information can help a borrower avoid default.

Helpful Reports in NSLDS

- The School Repayment Information Loan Detail (DRC015) provides the current repayment status of certain borrowers in the FFEL and Direct Loan programs who attended a school during a specific period. Schools can request detailed repayment information for the most current 24-month period. As the most current 24-month period is only available on NSLDS for a month, it may be useful to download the information each month. The school can then select the students who fall into a specific cohort period and compare the NSLDS repayment data with the school's data.
- The Date Entered Repayment Report (DER001) is a list of student borrowers who are scheduled to go into repayment during a specified date range and are currently enrolled with loans in good-standing, with their loan histories. The school may specify the 'begin' and 'end' dates for the date range, specify one of three sort orders (SSN, Name or Date Entering Repayment).
- The Borrower Default Summary Report (SCHDF1) provides a list of loans that currently have a defaulted loan status (DB, DL, DO, DT, DU, DW, DF, or DZ) and a loan status date that falls within the requested date range. Users can select all loan programs or only one. The report includes student identifiers, loan identifiers, Guaranty Agency information, Federal Servicers, and lender information. It also includes the current loan status and up to three status codes from history. The report can be sorted by Loan Status Date, Last Name, or Social Security Number. The information is available in an extract file.

With this guidance in mind, be on the lookout for receipt of your draft CDR in the SAIG Mailbox in early February.

CALENDAR and RESOURCES

Training Resources

DJA MONTHLY WEBINARS

Consumer Information- Wednesday, February 12th, 11 a.m. CST

NOTE: There may be a difference between DJA local time and your time zone. To determine your time zone equivalent, click on this link to view a time zone map: http://www.worldtimezone.com/time-usa12.php

Webinars are free to clients, as well as our newsletter recipients on a trial basis. Invitations are automatically sent to all clients, however if you do not receive an invitation, email Lynessa Roberts at lroberts@gotodja.com. After registering, you will receive the log-in information. If you would like to attend a webinar and are not a DJA client, please email Lynessa and she will ensure you receive an invitation to register. Questions can be directed to Lynessa by email or by calling toll free at 1-800-242-0977.

2025 DJA WEBINAR SCHEDULE

FEB 7	Consumer Information, Record Keeping and Disclosures
MAR 5	Administrative Capabilities
APR 2	Satisfactory Academic Progress
MAY 14	Return of Title IV Funds (Including LOA)
JUN 4	General Participation Requirements
JUL 16	Campus Crime Report
AUG 6	Entrance and Exit Counseling
SEPT 3	Cash Management
OCT 8	Enrollment Reporting Using NSLDS
NOV 5	Program Integrity (Audits, Program Review)
DEC 3	1098-T Reporting

Upcoming Conference Schedule

Orbund Vision Conference February 19-20th

Orbund Vision is an education management user group conference designed for educators and administrators to come exchange ideas and best practices to help each other improve education administration and also provide vision for future enhancements to the Orbund SIS platforms. DJA's New Leaf Financial Aid Software integrates directly with the Orbund SIS through API integration. Our DJA team will be attendance to provide demonstrations of integration and connect with institutions on our financial aid software and services we offer to streamline the complexities of Title IV aid administration. The conference will be held at the Embassy Suites by Hilton Dorado Del Mar Resort in Puerto Rico. To sign up as an attendee and learn more on the conference, click here. To connect with a DJA team member while in attendance, email Renee at rford@gotodja.com.

Annual National Conference on Allied Health Education March 26-27th

The National Conference on Allied Health Education is an annual event hosted by the Accrediting Bureau of Health Education Schools (ABHES). This year's conference will be held in Louisville, KY at the Omni Hotel. An array of informative and timely break-out sessions will be offered to attendees. DJA will also be present, alongside other exhibitors, to showcase the advantages a partnership with our company can offer to ensure your institution maintains regulatory compliance through our streamlined, cost-savings approach. Visit us to discuss how our services can best meet your financial aid administration needs.

For more information on this event visit their site.