



## 10 Steps to Reviewing and Challenging Draft Cohort Default Rates

Like you, Navient<sup>SM</sup> cares about helping your students succeed. You can count on us to support your students on their personal financial journey — and to maintain our commitment to reducing your school's Cohort Default Rate (CDR).



### Overview

The U.S. Department of Education (the Department) calculates CDRs twice each year.

- ▶ **Draft CDR** — Information is sent to your school in February. Draft CDRs are provided only to your school and are not released to the public.
- ▶ **Official CDR** — Information is calculated and released to schools and the public in September.
- ▶ **Challenges** — There are two types of challenges for your draft CDR: an incorrect data challenge or a participation rate index challenge. Please refer to the Department's [Cohort Default Rate Guide](#) for more information about the participation rate index challenge. Schools are provided an opportunity to identify and correct any inaccuracies by submitting an incorrect data challenge. Unless it is corrected, the *draft* cohort default rate data will be used to calculate the *official* cohort default rates.
  - Schools may submit challenges after the release of the draft cohort default rates; schools may submit adjustments and appeals after the release of the official cohort default rates. Challenges, adjustments, and appeals must be submitted in a timely manner and in compliance with the Department's [Cohort Default Rate Guide](#) found on the [Federal Student Aid's Default Management website](#).
- ▶ **For more information** — Contact your federal loan servicers, or FSA's Default Management Hotline at (202) 377-4259 or e-mail at [fsa.schools.default.management@ed.gov](mailto:fsa.schools.default.management@ed.gov).

We invite you to visit [Navient.com](http://Navient.com), or to direct your students to [Navient.com](http://Navient.com), to view or download the many tools and resources available to help students early while they're still in school, and later after they leave your campus and enter repayment.

# 10 Steps to Reviewing and Challenging Draft Cohort Default Rates

## 1. Download the Department's Cohort Default Rate Guide.

It is found on the [Federal Student Aid's Default Management website](#). Please refer to Part 4: Challenges, Adjustments, and Appeals for detailed information.

## 2. Download the electronic Loan Record Detail Report (LRDR).

You'll receive an electronic Cohort Default Rate (eCDR) package from the Department via your Student Aid Internet Gateway (SAIG) destination. The LRDR is used to calculate your school's draft and official CDR.

**Tip** — *The LRDR may be opened in a spreadsheet which may simplify your research efforts.*

## 3. Use a spreadsheet or database to compare data.

Compare the LRDR data spreadsheet to your school's enrollment records, repayment information from the National Student Loan Data System (NSLDS), and loan servicer reports.

## 4. Examine the data closely.

If there are differences, review the source data for possible causes. If you believe there is inaccurate data on the LRDR, you should challenge the data.

**Tip** – *Challenges usually fall into three main categories:*

- The LRDR incorrectly includes a borrower as defaulted, and the default date or status is incorrect (incorrectly included)
- The LRDR incorrectly includes a borrower whose repayment begin date does not fall within the cohort fiscal year (incorrectly included)
- The LRDR incorrectly excluded a borrower who entered repayment within the cohort fiscal year and the borrower should be added to the CDR calculation (incorrectly excluded)

## 5. Gather documentation to support your challenge.

Relevant supporting documentation is required for each challenge. This may include, but is not limited to the following:

- Copy of the letter sent to the relevant data manager that provides notification of the borrower's last date of attendance and proof that the document was sent to the data manager in a timely manner.

- Dated copy of the Enrollment Report confirming the borrower's last date of attendance and proof that the documentation was submitted by the deadline.

- Screen print from the Student Status Confirmation Reports (SSCR) function within the NSLDS that confirms the borrower's last date of attendance was recorded timely within NSLDS.

- Copy of the front and back of a canceled check, or other documentation, showing the borrower's loan was fully refunded or canceled within 120 days of disbursement.

## 6. Contact relevant data managers if needed.

A school may contact the data manager for additional information on types of supporting documentation the school should submit to support a challenge. Find data manager contact information at <http://ifap.ed.gov/drmaterials/NumericalDataMgrContacts.html>.

## 7. Submit incorrect data challenges via the electronic Cohort Default Rate Appeals (eCDR) system.

No paper challenges are permitted. All incorrect data challenges must be submitted electronically and will be routed to the correct data manager in a timely manner. For more information your school may review the eCDR user guides available at [ecdrappeals.ed.gov](http://ecdrappeals.ed.gov).

## 8. Timely submission is critical.

Incorrect data challenges must be submitted within 45 days of the timeframe begin date, as established by the Department; this is typically six days after the draft rates are released.

## 9. Retain all documentation.

Keep records verifying the receipt of the incorrect data challenge submission along with any supporting documentation related to the challenge.

## 10. Review the data manager responses received via the eCDR system.

All data managers are required to respond to a school's incorrect data challenge for those loans which the data manager holds within 30 calendar days of receipt. Please refer to Part 4: Challenges, Adjustments, and Appeals of the Department's [Cohort Default Rate Guide](#) for more information.

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