

UNITED STATES DEPARTMENT OF EDUCATION  
WASHINGTON, D.C. 20202  
FEBRUARY 2009

Southwestern College  
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100 College Street  
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Winfield, KS 67156-2499

OPE ID:

FY 2007 Cohort Default Rate:

SUBJECT: FISCAL YEAR 2007 DRAFT COHORT DEFAULT RATE

Dear President:

I am writing to provide you with your school's fiscal year (FY) 2007 draft cohort default rate data. For domestic schools, and foreign schools that have one or more borrowers that entered into repayment during the FY 2007 period, the enclosed loan record detail report (LRDR) includes information on the loans made to students for attendance at your school under the Federal Family Education Loan (FFEL) Program and/or William D. Ford Federal Direct Loan (Direct Loan) Program. The U.S. Department of Education's (Department) records indicate that all of the loans included in the report entered into repayment during the FY 2007 period that includes October 1, 2006 through September 30, 2007. Foreign schools that did not have one or more borrowers that entered into repayment during the FY 2007 period will not receive a LRDR file.

The foreign schools' LRDR has been encrypted and secured with a password on a CD-ROM. You will receive a separate letter containing the password needed to access the data on the CD-ROM. If you have questions about accessing or printing your file, please contact Default Management at (202) 377-4259 or via email at [fsa.schools.default.management@ed.gov](mailto:fsa.schools.default.management@ed.gov).

The most important link on the DPM website (<http://www.ifap.ed.gov/DefaultManagement/DefaultManagement.html>) is the link to the Cohort Default Rate Guide. This Guide is a primary reference source for schools to understand the cohort default rates and processes. You may download the Guide in its entirety or by specific chapters needed.

Default Management has recently added other resources to our website. They are:

Archived Press Packages - Press packages from 1992 to 2005 that give cohort default rates for the year of the press package and the two prior years. Link to new e-Appeals information - The eCDR Appeals system is a Web-based application that facilitates the exchange of information between parties for three of the challenge/adjustment processes.

Please plan to visit our website and let us know what you think about it. If you have any suggestions on improvements/additions to the website, please let us know via [fsa.schools.default.management@ed.gov](mailto:fsa.schools.default.management@ed.gov).

The Default Management staff offers the availability of eCDR Appeals, a web-based solution to automate the submission of certain cohort default rate (CDR) challenges and adjustments requests. During the FY 2007 draft CDR process, schools will have the option of submitting certain CDR challenge and adjustment requests via eCDR Appeals. The application allows schools to electronically submit these challenges and adjustments requests during the cohort default rate cycle, and allows data managers and Federal Student Aid (FSA) to electronically view and respond to these challenges and adjustments requests. The application tracks the entire life cycle of each challenge/adjustment request from the time it is submitted until the time a decision is made and it is finalized. This process will eventually replace the paper process of challenging and appealing CDRs for all Title IV schools, foreign and domestic. For the FY 2007 draft CDR cycle, schools have the choice of submitting their incorrect data challenge via eCDR Appeals or via the paper process. The ability to submit an uncorrected data adjustment or new data adjustment via eCDR Appeals will again be available to schools with the release of the FY 2007 official CDRs in September 2009.

It is important that schools implement data corrections prior to the calculation of the FY 2007 official cohort default rates scheduled for later this year. Chapter 4.1 of the Cohort Default Rate Guide explains the Incorrect Data Challenge process timeline that a school should use to identify and correct any inaccuracies reflected in the enclosed LRDR. In addition, Chapter 4.2 of the Guide explains the process timeline and benefits of submitting a Participation Rate Index Challenge prior to the release of the official cohort default rates.

Your school has 45 calendar days to challenge the accuracy of the FY 2007 LRDR. If your school does not submit the challenge(s) within the required timeframes, your school will forfeit its right to submit such challenge(s).

If you are a foreign school and have received this letter via hard copy mail from the Department, the timeframe for submission of a FY 2007

Incorrect Data Challenge or a Participation Rate Index Challenge begins with the receipt of either the notification letter or the letter that contains the password required to access your CD-ROM whichever is the latest. If you are a domestic school, your timeframe begins with the sixth business day following the announced transmission date for eCDR packages posted to <http://www.ifap.ed.gov>.

The Department will not release your school's FY 2007 draft cohort default rate to the public nor will the Department assess sanctions based upon this draft cohort default rate. It is important to note that your school may not use its FY 2007 draft cohort default rate to determine if it is eligible for any disbursement exemptions as described in Section 428G of the Higher Education Act of 1965, as amended and the Higher Education Reconciliation Act (HERA) of 2005 (428G(a)(3) and (b)(1)). Corrected data received through the Incorrect Data Challenge process and from other sources will be used by the Department to calculate the FY 2007 official cohort default rates in the fall. At that time, the Department will notify your school of its official rate, any applicable sanctions and/or benefits associated with the rate, and additional adjustment/appeal rights that may be available to your school.

If you have any questions about the FY 2007 draft school cohort default rate review process that are not addressed in the Cohort Default Rate Guide, please contact Default Management at (202) 377-4259 or via email at [fsa.schools.default.management@ed.gov](mailto:fsa.schools.default.management@ed.gov).

Sincerely,

Katrina Turner  
Director  
Portfolio Performance Division

Special note for schools with 29 or fewer borrowers entering repayment for the FY 2007 period: Please refer to page 2.1-6 of the Cohort Default Rate