

#	Subject	Summary of Change to <i>Common Manual</i>	Type of Update	Effective Date
1308	Three - Year Cohort Default Rates	<p>Revised policy removes information pertaining to the two-year cohort default rate (CDR) and the transition to a three-year rate. Revised policy also:</p> <ul style="list-style-type: none"> <li>• Clarifies that, as part of a school's administrative capability standards, the school's CDR must be less than 30% for two of the three most recent fiscal years and must not exceed 15% for Perkins Loans. A school with a single-year CDR of 30% or greater will be required to establish a default prevention task force. A school with CDRs of 30% or greater for two consecutive years must revise its default prevention plan to implement additional default aversion measures, and could also be subject to provisional certification.</li> <li>• Provides that, beginning in 2014 with the publication of the fiscal year 2011 three-year CDR, a school may also raise a Participation Rate Index (PRI) challenge or appeal if its three-year CDR equals or exceeds 30% for two of the three most recent fiscal years for which rates have been calculated and the school's PRI in either of those fiscal years is less than or equal to 0.0625, in order to avoid placement on provisional certification.</li> <li>• Deletes obsolete CDR exemptions for Historically Black Colleges and Universities (HBCUs), tribally controlled community colleges, and Navajo community colleges.</li> <li>• Deletes obsolete language which provided that the definition of default also includes student borrowers with FDLP loans from proprietary non-degree-granting schools that are in repayment for at least 360 days under the income-contingent repayment plan with scheduled payments that are less than \$15 per month and less than the interest accruing on the loan.</li> </ul>	Federal	<p>Removal of the two-year CDR information effective as of the publication of the official cohort default rates on September 15, 2014.</p> <p>Removal of exemptions from loss of eligibility due to excess CDR's for Historically Black Colleges and Universities (HBCUs), tribally controlled community colleges and Navajo community colleges effective October 29, 2009.</p> <p>Removal of the provision that included certain Direct Loan ICR borrowers in the numerator of a for-profit, non-degree institution's CDR effective November 1, 2002.</p>

Batch 203 (Approved)