

3.2 Monitoring Loan Repayment Status Throughout the Year

What kinds of information should a school track before the release of the cohort default rates?

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.

If a school staff discovers that a student enrolled at least 1/2-time in an eligible program at their school is being reported as "in repayment" in an NSLDS report, the school must update the student's enrollment status in NSLDS. The school should also contact the data manager.

The repayment information in NSLDS does not provide information regarding a borrower's delinquency status. For more information about a borrower's possible delinquency status, a school should contact the data manager for information about the borrower's loan status. Many schools find delinquency reports particularly useful because the school staff may be able to contact the delinquent borrower and counsel the borrower to prevent the loan from going into default. Or the school may assist the delinquent borrower to contact the appropriate data manager for assistance to avoid a default. If the school identifies errors in the information provided by a data manager, the school should contact the data manager to discuss how to update the information.

What are the benefits of reviewing repayment information regularly?

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.

How can I find out the current repayment status of students from my school?

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 schools data. The reports may be received in a formatted report (Message Class: SHNOTROP) or an extract file (Message Class: SHNOTEOP).



The publication "Ensuring Student Loan Repayment" describes best practices in default prevention, and can be downloaded from "Default Rate Materials" on the IFAP Web site:
<http://ifap.ed.gov>.

The DRC015, DER001, and SCHDF1 reports are available under the "Reports" tab on the NSLDS Web site. See the end of this chapter for complete instructions for downloading NSLDS reports.

How can I find out when the student borrowers at my school are scheduled to go into repayment?

The *Date Entered Repayment Report* (DER001) is a list of student borrowers who are scheduled to go into repayment during a specified date range, 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), and choose whether to receive the information as a formatted report (Message Class: AHSLDSOP) or an extract file (Message Class: AHSLDEOP). Schools receive the report via their SAIG mailboxes.

How can I get a list of students from my school whose loans have defaulted?

The *Default Loan 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, 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. The file layouts for the extract files are available on the IFAP Web site. Schools receive the report via SAIG mailbox. Additional hints for printing the report in Microsoft Word format are available in the Report List Help page.

What other types of repayment information are available?

Schools can view summary repayment information by selecting the "Org" tab on the NSLDS Web site. (See the instructions at the end of this chapter).

The summary listing shows—

- ◆ the number of borrowers who entered into repayment in the first 12 months of the most recent 24-month period, and
- ◆ the number of those borrowers who entered into repayment in the first 12 months of the most recent 24-month period and defaulted or met other specified conditions during that 24-month period.

The summary listing displays a snapshot that may be useful to determine default trends on loans entering in repayment obtained at our school during a 24 month-period. Note that this data is provided solely for informational purposes only and that it has no relationship to the calculation of draft or official cohort default rates for a school and will not be used in that process. The information reported is based on information provided by the data manager.

You may also download a loan detail file for the most recent 24-month period. This file will include—

- ◆ an individual listing of all the selected borrowers tallied in the summary format, and
- ◆ information about each of the relevant loans for each borrower included on the report.

This information is the same type of data provided on a school's loan record detail report (LRDR).

Is repayment information subject to the Privacy Act?

Because repayment information contains personal identification information about borrowers who received loans under the Federal Family Education Loan (FFEL) and William D. Ford Federal Direct Loan (Direct Loan) programs, the Privacy Act of 1974 and the Family Educational Rights and Privacy Act (FERPA) apply to all repayment information. State and local laws and regulations may also govern the use of this material. Recipients must take appropriate steps to ensure that this material is used and discarded properly.

The layout of the repayment information extract file follows the layout of the electronic loan record detail report extract file. See Chapter 2.3, "Reviewing the Loan Record Detail Report," for a guide to the extract file.