Salina Area Technical School
005499
2562 Centennial Road
Salina, KS 67401-8195

Re: FY 2005 Official Cohort Default Rate Notification Letter

Dear President:

This letter officially notifies you of your school's fiscal year (FY) 2005 cohort default rate based on Federal Family Education Loan (FFEL) Program and/or William D. Ford Federal Direct Loan (Direct Loan) Program loans made to students for attendance at your school. Your school's FY 2005 cohort default rate is shown above. Please note that even if your school is no longer participating in the student loan program(s), federal law requires the U.S. Department of Education (Department) to notify your school of its cohort default rate.

If you received this letter electronically via the Student Aid Internet Gateway (SAIG), please refer to the website http://www.ed.gov/offices/OSFAP/defaultmanagement/ecdr.html for a description of the other files that the Department transmitted to you along with this letter.

What formula did the Department use to calculate my school's rate?

If your school had 30 or more borrowers entering repayment between 10/1/04 and 9/30/05, the Department used the official non-average methodology to calculate your school's FY 2005 cohort default rate. Your school's rate reflects the percentage of borrowers who entered repayment between 10/1/04 and 9/30/05 and defaulted or met the specified condition on or before 9/30/2006. More information about the formula that the Department uses to calculate official non-average cohort default rates is available in Chapter 2.1 of the Cohort Default Rate Guide, How the Rates are Calculated, available at http://ifap.ed.gov/DefaultManagement/guide/04CDRGuidePart2.html.
If your school had 29 or fewer borrowers entering repayment between 10/1/04
and 9/30/05, the Department used the average rate methodology to
calculate
your school's FY 2005 cohort default rate. Your school's rate is based on
borrower information from both FY 2005 and the two preceding cohort
fiscal
years. More information about the formula that the Department uses to
calculate averaged rates is available in Chapter 2.1 of the Cohort
Default
Rate Guide, How the Rates are Calculated, available at

If your school had 29 or fewer borrowers entering repayment in FY 2005
and
did not have cohort default rates calculated for FY 2004 and/or FY 2003,
the cohort default rate, as shown on page one, is the percentage of
borrowers who entered repayment in FY 2005 and defaulted or met the
specified condition before the end of FY 2006. Because this rate is based on fewer than 30 borrowers entering repayment and less than three years of data, this cohort default rate is referred to as an unofficial cohort default rate. There are no sanctions or benefits associated with an unofficial cohort default rate. More information about the formula that the Department uses to calculate unofficial rates is available in Chapter 2.1 of the Cohort Default Rate Guide, How the Rates are Calculated, available at http://ifap.ed.gov/DefaultManagement/guide/04CDRGuidePart2.html.

WHAT TYPES OF LOANS DID THE DEPARTMENT INCLUDE IN MY SCHOOL'S RATE CALCULATION?

The Department included three types of loans in your school's cohort default rate calculation:

1) Federal Stafford Subsidized and Federal Stafford Unsubsidized Loans

2) Federal Direct Subsidized and Federal Direct Unsubsidized Loans

3) Federal Supplemental Loans for Students (Federal SLS Loans). Although rare, it is possible for Federal SLS loans to be included in your school's cohort default rate calculation.

WHAT LOAN RECORD DETAIL REPORT (LRDR) ACCOMPANIES THIS NOTIFICATION LETTER?

If your school's FY 2005 official cohort default rate is a non-averaged rate, the LRDR that accompanies this letter reflects all loans that went into repayment during FY 2005. If your school's FY 2005 official cohort default rate is an averaged rate, the LRDR that accompanies this letter reflects all loans that went into repayment during FY 2005, FY 2004 and FY 2003.


For foreign schools that have one or more borrowers that entered into repayment during the FY 2005 period, the enclosed CD-ROM contains information on the loans made to students for attendance at your school. The encrypted LRDR on this CD-ROM has been password protected. Foreign schools will receive a separate letter containing the password needed to decrypt and access the data on the CD-ROM. If you have questions about accessing the data in the file, please contact Default Prevention and Management at (202) 377-4259 or via email at fsa.schools.default.management.ed.gov.
WHAT SANCTIONS AND BENEFITS APPLY TO MY SCHOOL BASED ON THIS RATE?

According to the Higher Education Act of 1965 (HEA), as amended, and the Department's regulations, your school is not subject to any sanctions based on your school's FY 2005 cohort default rate. However, if your school's official FY 2005 cohort default rate is 25.0 percent or greater, the Department may provisionally certify your school when your school applies for recertification to participate in the Student Financial Assistance Programs. For more information about provisional certification, please refer to 34 C.F.R. Section 668.16(m)(1) and (2)(i) or contact the School Participation Management Division at 202-377-3173.

If your school's most recent official cohort default rate is less than 5.0 percent and your school is an eligible home institution that certifies/originates a loan to cover the cost of attendance in a study abroad program, your school is eligible for this benefit. Your school may disburse/deliver loan proceeds in a single installment and may choose to release loan proceeds to first-year, first-time borrowers prior to 30 calendar days after the first day of the borrower's program of study. Once your school receives notice from the Department that your school's official cohort default rate is 5.0 percent or greater, this benefit will end within 30 calendar days of the notification.

The enactment of the Higher Education Reconciliation Act of 2005 (HERA), Pub. L.109-171 reinstated the exemption of institutions with low cohort default rates from certain multiple disbursement requirements. An institution with a cohort default rate of less than 10 percent for each of the three most recent fiscal years for which data are available, including eligible foreign institutions, may once again disburse, in a single installment, loans that are made for one semester, one trimester, one quarter, or a four-month period. Such an institution is also no longer required to delay the delivery or disbursement of the first disbursement of a loan for 30 days for first-time, first-year undergraduate borrowers. (Refer to DCL ID: GEN-06-02: PP-06-01 http://www.ifap.ed.gov/dpcletters/GEN0602.html).


WHY DOES THIS LETTER SAY THAT MY SCHOOL IS NOT SUBJECT TO SANCTIONS BUT MY RATES EXCEED THE SANCTION THRESHOLD?
If your school has official FY 2005, FY 2004, and FY 2003 cohort default rates that are 25.0 percent or greater or your school has an official FY 2005 cohort default rate that is greater than 40.0 percent, your school is NOT subject to the loss of FFEL Program, Direct Loan Program, and/or Federal Pell Grant Program eligibility because your school met one or more of the following criteria:

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<tr>
<td>Default Rates $\geq 25.0%$</td>
<td>Rate $&gt; 40.0%$</td>
</tr>
<tr>
<td>--------------------------------------------</td>
<td>-----------------------------</td>
</tr>
<tr>
<td>At least two of your schools three most recent cohort default rates are official and would be averaged cohort default rate.</td>
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<tr>
<td>less than 25.0 percent if the Department had calculated the rate using the data for that cohort fiscal year alone.</td>
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</table>

| Thirty or fewer borrowers entered into repayment during your schools three most recent official cohort default rates. |
| Your school submitted a successful participation rate index challenge/appeal based on your schools draft FY 2005 cohort default rate, official FY 2004 cohort default rate, or official FY 2003 cohort default rate. |
| Your school entered into a settlement agreement with the U.S. Department of Education that supersedes any sanctions the Department would apply based on cohort default rate calculations. |

**WHAT RIGHTS DOES MY SCHOOL HAVE TO APPEAL THIS RATE INFORMATION?**

Based on your school's FY 2005 cohort default rate, your school may be eligible to submit the following adjustments/appeals:

- **Uncorrected Data Adjustment**

- **Loan Servicing Appeal**

- **New Data Adjustment**

Averaged Rates Appeal

Thirty-or-fewer Borrowers Appeal

If your school is located within the United States, your timeframe for submitting these adjustments and appeals begins on the sixth business day after the Department transmitted the cohort default rate notification package to the SAIG destination points. The Department announces the transmittal date for every cohort default rate distribution at http://www.ifap.ed.gov.

If you are a foreign school and have received this letter via hard copy mail from the Department, the timeframe for submission of adjustments/appeals begins with the receipt of the letter that contains the password required to access your CD-ROM.
All schools must meet the established submission timeframes for cohort default rate adjustments and appeals. The Department will not review adjustments and appeals that any school submits outside of the established timeframes.

**WHAT TOOLS AND INFORMATION ARE AVAILABLE TO HELP MONITOR AND MANAGE MY SCHOOL'S COHORT DEFAULT RATE?**

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<th>Tools</th>
<th>Description</th>
<th>Contact</th>
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<tr>
<td>Information</td>
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<tr>
<td><strong>Default Rate</strong></td>
<td><a href="http://www.ifap.ed.gov/DefaultManagement/finalc">drg.html</a>. Reference tool designed by U.S. Dept of Education to help schools understand cohort default rates and various challenge/appeal/adjustment processes. Original hardcopy mailed with FY1999 notification letter. The electronic version was revised August 2006 and may be found online.</td>
<td></td>
</tr>
<tr>
<td><strong>Default Rate</strong></td>
<td><a href="http://ifap.ed.gov/drmaterials/attachments/">The Cohort Default Rate Guide Quick reference at</a></td>
<td>May be printed</td>
</tr>
<tr>
<td><strong>Guide Quick</strong></td>
<td><a href="http://ifap.ed.gov/drmaterials/attachments/">CDRGQuickRef093005FINAL.pdf</a> presents some of the key elements of the Guide in a more informal manner to give schools a summary of what they should do during the draft and official cohort default rate cycles.</td>
<td>From CDRQuick Reference</td>
</tr>
</tbody>
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Prevention Default Management.html. Contains valuable information for schools, guaranty agencies and borrowers. Contains link for eCDR process, including enrollment procedures and downloading instructions.

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Late Stage Process whereby schools work in collaboration with servicers or guarantors to identify and provide counseling to borrowers more than 240 days late on loan repayment. For Direct Loan schools, the website http://www.dlservicer.ed.gov/ identifies borrowers whose impending default will impact the school's cohort default rate. FFEL schools can obtain assistance for their late stage delinquent borrowers by contacting their servicer or guarantor.

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National https://www.nsldsfaap.ed.gov. Offers schools the opportunity to request reports in extract or preformatted formats that can be retrieved through the Students Aid Internet Gateway (SAIG) (800) 999-8219 account associated with the NSLDS User Id that requested the report. Listed below are some
<table>
<thead>
<tr>
<th>Report</th>
<th>Brief Description of the NSLDS Reports</th>
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<tr>
<td>School CDR Rate History</td>
<td>School CDR Rate History Report provides school with a copy</td>
</tr>
<tr>
<td>Report</td>
<td>of the Loan Record Detail Report that lists students in default/repayment during the cohort period indicated.</td>
</tr>
<tr>
<td>SCHER1</td>
<td>Enrollment Reporting Summary Report provides school users with the chronology of enrollment reporting events.</td>
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<tr>
<td>DER001</td>
<td>Date Entered Repayment Report provides school users with a list of student borrowers with loan history who are scheduled to go into repayment during a specified date range.</td>
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<tr>
<td>DRC015</td>
<td>School Repayment Information Loan Detail provides school users with the current repayment status of certain borrowers in FFEL/DL loan programs who attended a school during a specific period.</td>
</tr>
<tr>
<td>SCH01B</td>
<td>Exit Counseling Report provides school users with exit counseling information on students who attended the requesting school and whose anticipated completion dates fall within a specified date range.</td>
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If you have any questions about this letter that are not answered in the Cohort Default Rate Guide, please contact Default Prevention and Management via email at FSA.Schools.Default.Management@ed.gov or via phone at (202) 377-4259. Please be sure to include your Office of Postsecondary Education Identification Number (OPE ID) on all correspondence, as shown on page one of this letter.

Sincerely,

Claire Roemer
General Manager
School Services Training Channel

Enclosures
OPEID:          005499
School Name:    Salina Area Technical School
City and State: Salina, KS 67401-8195

The Department's records indicate the following with regard to your school's loan program participation:

CERTIFIED FFEL                  CERTIFIED DIRECT LOAN

Based on borrower participation in the FFEL Program and/or Direct Loan Program at your school, here are the FY 2005, FY 2004 and FY 2003 official cohort default rates on record for your school:

Fiscal Year 2005
(1) Number of borrowers entering repayment:  97
(2) Number of borrowers who entered repayment and defaulted: 4
(3) Official Cohort Default Rate:   4.1%
(4) Rate Type: DU

Fiscal Year 2004
(1) Number of borrowers entering repayment:  99
(2) Number of borrowers who entered repayment and defaulted: 4
(3) Official Cohort Default Rate:   4.0%
(4) Rate Type: DL

Fiscal Year 2003
(1) Number of borrowers entering repayment: 100
(2) Number of borrowers who entered repayment and defaulted: 9
(3) Official Cohort Default Rate:   9.0%
(4) Rate Type: DU

The rate type indicates the category of loans that the Department included in your school's cohort default rate:
FL-FFEL Program loans only
DL-Direct Loan Program loans only
DU- both FFEL Program and Direct Loan Program loans

For additional information on the methodology that the Department uses to calculate cohort default rates, please refer to the Chapter 2.1 of the Cohort Default Rate Guide, How the Rates are Calculated, available at http://ifap.ed.gov/DefaultManagement/guide/04CDRGuidePart2.html.