

UNITED STATES DEPARTMENT OF EDUCATION  
WASHINGTON, D.C. 20202  
September 2008

Salina Area Technical School  
005499  
2562 Centennial Road  
**6.3**  
Salina, KS 67401-8195  
NL01

OPE ID:

**FY 2006 Cohort Default Rate:**

RE: FY 2006 Official Cohort Default Rate Notification Letter

Dear President:

This letter officially notifies you of your school's fiscal year (FY) 2006 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 2006 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?

The Department uses one of three methods for calculation of cohort default rates:

1. Official non-average rate for schools with 30 or more borrowers entering repayment,
2. Official average rate for schools with 29 or fewer borrowers entering repayment, and
3. Unofficial rate for schools with 29 or fewer borrowers entering repayment with less than three years of data.

For complete explanation of the three types of rates, please see 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 2006 official cohort default rate is a non-averaged rate, the LRDR that accompanies this letter reflects all loans that went into repayment during FY 2006. If your school's FY 2006 official cohort default rate is an averaged rate, the LRDR that accompanies this letter reflects all loans that went into repayment during FY 2006, FY 2005 and FY 2004.

For more information on how to read the loan record detail report, please refer to Chapter 2.3 of the Cohort Default Rate Guide, Reviewing the Loan Record Detail Report, available at  
<http://ifap.ed.gov/DefaultManagement/guide/04CDRGuidePart2.html>.

For foreign schools that have one or more borrowers that entered into repayment during the FY 2006 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 any 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](mailto: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, the Higher Education Reconciliation Act of 2005 (HERA), Pub.L.109-71 and the Department's regulations, your school is not subject to any sanctions based on your school's FY 2006 cohort default rate. However, if your school's

official FY 2006 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.

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 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: FP-06-01

<http://www.ifap.ed.gov/dpcletters/GEN0602.html>).

For more information on the sanctions and the benefits associated with official cohort default rates, please refer to Chapter 2.4 of the Cohort Default Rate Guide, Cohort

Default Rate Effects, available at

<http://ifap.ed.gov/DefaultManagement/guide/04CDRGuidePart2.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 2006, FY 2005, and FY 2004 cohort default rates that are 25.0 percent or greater or your school has an official FY 2006 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:

<p>-----</p> <p> FY 2006, FY 2005, FY 2004 Cohort  Default Rates &gt;= 25.0% </p> <p>-----</p>	<p>-----</p> <p> FY 2006 Cohort Default  Rate &gt; 40.0% </p> <p>-----</p>
<p>-----</p> <p> At least two of your schools three most  recent cohort default rates are official  average cohort default rates and would be  rate.  less than 25.0 percent if the Department  had calculated the rate using the data for  that cohort fiscal year alone. </p> <p>-----</p>	<p>-----</p> <p> Your schools FY 2006 cohort  default rate is an official  averaged cohort default  rate. </p> <p>-----</p>
<p>-----</p> <p> Thirty or fewer borrowers entered into repayment during your schools  three most recent official cohort default rates. </p> <p>-----</p>	
<p>-----</p> <p> Your school submitted a successful participation rate index  challenge/appeal based on your schools draft FY 2006 cohort default  rate, official FY 2005 cohort default rate, or official FY 2004  cohort default rate. </p> <p>-----</p>	
<p>-----</p> <p> 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. </p> <p>-----</p>	

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

Based on your school's FY 2006 cohort default rate, your school may be eligible to submit the following adjustments/appeals:

Uncorrected Data Adjustment  
<http://ifap.ed.gov/DefaultManagement/guide/04CDRGuidePart4.html>

Loan Servicing Appeal

<http://ifap.ed.gov/DefaultManagement/guide/04CDRGuidePart4.html>

New Data Adjustment

<http://ifap.ed.gov/DefaultManagement/guide/04CDRGuidePart4.html>

Averaged Rates Appeal

<http://ifap.ed.gov/DefaultManagement/guide/04CDRGuidePart4.html>

Thirty-or-fewer Borrowers Appeal

<http://ifap.ed.gov/DefaultManagement/guide/04CDRGuidePart4.html>

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 notification letter or letter that contains the password required to access the data on the CD-ROM (whichever is the latest).

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?

Tools	Description	Contact
Information		
Cohort Default Rate Guide	<a href="http://www.ifap.ed.gov/drmaterials/finalcdrguide.html">http://www.ifap.ed.gov/drmaterials/finalcdrguide.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	May be printed from CDR Guide Link

	with FY1999 notification letter. The electronic	
	version was revised August 2006 and may be	
	found online.	

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Cohort	The Cohort Default Rate Guide Quick reference	May be
Default Rate	at <a href="http://ifap.ed.gov/drmaterials/attachments/">http://ifap.ed.gov/drmaterials/attachments/</a>	printed
Guide Quick	CDRGQuickRef093005FINAL.pdf presents some of	from CDR
Reference	the key elements of the Guide in a more	Quick
	informal manner to give schools a summary of	Reference
	what they should do during the draft and	Link
	official cohort default rate cycles.	

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Default	<a href="http://ifap.ed.gov/DefaultManagement/">http://ifap.ed.gov/DefaultManagement/</a>	Default
Prevention	DefaultManagement.html. Contains valuable	Prevention
and Mgmt	information for schools, guaranty agencies and	and
Website	borrowers. Contains link for eCDR process,	Management
	including enrollment procedures and downloading	202-377-
	instructions.	4259

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*NEW*	Electronic Cohort Default Rate Appeals Process	Default
eAppeals		Prevention
	Beginning with the fiscal year (FY) 2006 draft	and
	cohort default rate (CDR) distribution in	Management
	February of 2008 schools had the option of	202-377
	submitting and processing certain CDR challenge	-4259
	and adjustment requests via eCDR Appeals, a	
	web-based application.	

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| eCDR Appeals will facilitate the exchange of |  
| information between parties for three of the |  
| challenge/adjustment processes: Incorrect Data |  
| Challenge (IDC), Uncorrected Data Adjustments |  
| (UDA), and New Data Adjustments (NDA). The |  
| February 2008 release of eCDR Appeals included |  
| the IDC process only; the official release |  
| includes the UDA and NDA processes too. The |  
| application will allow schools to |  
| electronically submit these challenges and |  
| adjustment requests during a cohort default |  
| rate cycle, and will allow data managers |  
| (guaranty agency or Direct Loan Servicer) and |  
| Federal Student Aid (FSA) personnel to |  
| electronically view and respond to challenges |  
| and adjustment requests. The application will |  
| track the entire life cycle of each challenge/ |  
| adjustment request from the time the case is |  
| submitted until the time a decision is made and |  
| the case is closed. |

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| This electronic process will eventually replace |  
| the paper process of challenging and appealing |  
| CDRs for all Title IV schools, foreign and |  
| domestic. However, use of eCDR Appeals is |  
| optional for schools at this time. All data |

managers are required to respond to a school's  
 IDC submission in the format used by the school.  
 Therefore, all data managers are required to  
 register for eCDR Appeals.  
 Schools should refer to IFAP ([www.ifap.ed.gov](http://www.ifap.ed.gov)), Schools Portal ([fsa4schools.ed.gov](http://fsa4schools.ed.gov))  
 or the Default Prevention and Management  
 website (<http://www.ifap.ed.gov/DefaultManagement/DefaultManagement.html>) for updated information on the eCDR Appeals process.

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 Late Stage | Process whereby schools work in collaboration | Direct  
 Loan | with servicers or guarantors to identify and | Servicer  
 Delinquency | provide counseling to borrowers more than 240 | 888-877-  
 Assistance | days late on loan repayment. For Direct Loan | 7658 (can  
 (LSDA) | schools, the website <http://www.dlservicer.ed.gov/> identifies borrowers whose impending | through  
 the | default will impact the school's cohort default | process)  
 | 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.nlstdsfap.ed.gov>. Offers schools the | NLSDS  
 Student Loan | opportunity to request reports in extract or | Customer  
 Data System | preformatted formats that can be retrieved | Service at  
 (NLSDS) | through the Students Aid Internet Gateway (SAIG) | (800) 999-

| account associated with the NLSDS User Id that |8219  
| requested the report. Listed below are some |  
| reports NLSDS offers. |

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| Report | Brief Description of the NLSDS Reports

| name |

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| | School CDR Rate History Report provides school with a copy  
| DRC035 | of the Loan Record Detail Report that lists students in  
| | default/repayment during the cohort period indicated.

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| | Enrollment Reporting Summary Report provides school users  
| SCHER1 | with the chronology of enrollment reporting events.

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| | Date Entered Repayment Report provides school users with a  
| DER001 | list of student borrowers with loan history who are  
| | scheduled to go into repayment during a specified date  
range.||

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| | School Repayment Information Loan Detail provides school  
| DRC015 | users with the current repayment status of certain borrowers  
| | in FFEL/DL loan programs who attended a school during a  
| | specific period.

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| | Exit Counseling Report provides school users with exit  
| SCH01B | counseling information on students who attended the  
| | requesting school and whose anticipated completion dates  
fall||  
| | within a specified date range.

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Additional tools and information may be found in Chapter 3.2 of the Cohort Default Rate Guide, Monitoring Loan Repayment Status Year-Round, available at <http://ifap.ed.gov/DefaultManagement/guide/04CDRGuidePart3.html>

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](mailto: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,

Sybil Phillips  
Director  
Portfolio Performance Management,  
Business Operations

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 2006, FY 2005 and FY 2004 official cohort default rates on record for your school:

Fiscal Year 2006

- (1) Number of borrowers entering repayment: 95
- (2) Number of borrowers who entered repayment and defaulted: 6
- (3) Official Cohort Default Rate: 6.3%
- (4) Rate Type: DL

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

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>.