RE: FY 2009 Official Cohort Default Rate Notification Letter

Dear President:

This letter officially notifies you of your school's fiscal year (FY) 2009 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 2009 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.

Since the Department is no longer mailing hardcopies of the cohort default rate notification letters to any schools, please refer to 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
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 2009 official cohort default rate is a non-averaged rate, the LRDR that accompanies this letter reflects all loans that went into repayment during FY 2009. If your school's FY 2009 official cohort default rate is an averaged rate, the LRDR that accompanies this letter reflects all loans that went into repayment during FY 2009, FY 2008 and FY 2007.

Please note that if a technical problem caused by the Department results in an inability to access the data, schools have five business days from the receipt of the eCDR notification package to notify Operations Performance Division at the email address given below. 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 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 2009 cohort default rate. However, if your school's
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.

Beginning October 1, 2011 an institution with a cohort default rate of less than 15 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.

Once your school receives notice from the Department that your school's official cohort default rate is 15.0 percent or greater, this benefit will end within 30 calendar days of the notification.


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 2009, FY 2008, and FY 2007 cohort default rates that are 25.0 percent or greater or your school has an official FY 2009 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 Federal Student Aid 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.
2009 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:

|FY 2009, FY 2008, FY 2007 Cohort| FY 2009 Cohort Default |
| Default Rates >= 25.0% | Rate > 40.0% |

|At least two of your schools three most recent cohort default rates are official average cohort default rates and would be less than 25.0 percent if the Department had calculated the rate using the data for that cohort fiscal year alone.|

|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 2009 cohort default rate, official FY 2008 cohort default rate, or official FY 2007 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 2009 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

Beginning this year with the FY 2009 Official cycle all Uncorrected Data Adjustments and New Data Adjustments must be made through the eCDR Appeals application. The Loan Servicing Appeal, Averaged Rates Appeal and Thirty-or-fewer Borrowers Appeal will continue to be submitted via hard copy. The eCDR Appeals application, as it is known, allows schools to electronically submit certain challenge/adjustment requests during the specified timeframes and allows data managers (guaranty agency or Federal Loan Servicer) and Federal Student Aid (FSA) personnel to electronically view and respond to these challenge/adjustment requests. The application tracks the entire life cycle of each request from the time the case is submitted until the time a decision is made and the case is closed.

With this release of eCDR Appeals (Release 4.0), school users will now have access to a table listing all adjustments for which a data manager has requested additional information. This table will be included in the school's Current Status Report, available by selecting the Report tab.

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

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The Cohort Default Rate Guide Quick reference at http://ifap.ed.gov/drmaterials/attachments/ 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. The electronic version was revised August 2006 and may be found online.

The Cohort Default Rate Guide Quick reference may be found online.

Electronic Cohort Default Rate Appeals Process facilitates the exchange of eCDR appeals. The electronic version was revised August 2006 and may be found online.
information between parties for three of the challenge/adjustment processes: Incorrect Data Challenge (IDC), Uncorrected Data Adjustments (UDA), and New Data Adjustments (NDA). The application allows schools to electronically submit these challenges and adjustment requests during a cohort default rate cycle, and allows 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 tracks 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. All users must complete the registration process to gain access to eCDR Appeals. The eCDR Appeals homepage contains a link to the Registration and User Account Guide, which gives step-by-step instructions for registration. Links to the User Guides for the three processes can also be found here, as well as a link to the Cohort Default Rate Guide.

Late Stage Process whereby schools work in collaboration with servicers or guarantors to identify and
Delinquency
Assistance: 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.

National: https://www.nlsdsfap.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 NLSDS User Id that requested the report. Listed below are some reports NLSDS offers.

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<tr>
<th>Report name</th>
<th>Brief Description of the NLSDS Reports</th>
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<tr>
<td>School CDR Rate History Report</td>
<td>provides school with a copy of the Loan Record Detail Report that lists students in default/repayment during the cohort period indicated.</td>
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<td>Enrollment Reporting Summary Report</td>
<td>provides school users with the chronology of enrollment reporting events.</td>
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<td>Date Entered Repayment Report</td>
<td>provides school users with a list of student borrowers with loan history who are</td>
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<td>scheduled to go into repayment during a specified date range.</td>
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<td>School Repayment Information Loan Detail provides school</td>
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<td>DRC015 users with the current repayment status of certain borrowers</td>
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<td>DRC016 in FFEL/DL loan programs who attended a school during a</td>
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<td>specific period.</td>
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<td>Exit Counseling Report provides school users with exit</td>
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<td>SCH01B counseling information on students who attended the</td>
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<td>fall</td>
<td>within a specified date range.</td>
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<td>The Delinquent Borrower Report (DELQ01) provides School users</td>
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<td>DELQ01 a report of borrowers who have been reported as delinquent</td>
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<td>in</td>
<td>making loan payments to one of the federal loan servicers.</td>
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<tr>
<td>The School Portfolio Report (SCHPR1) provides ED users with</td>
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<td>SCHPR1 with information about all Direct Loan and/or FFEL program</td>
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<td>with loans for a specified school.</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 Operations Performance Division 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,

Katrina Turner
Director
Operations Performance Division
Business Operations

Enclosures

Note: The Higher Education Opportunity Act (HEOA) enacted on August 8, 2008 made a number of changes to the Federal Student Aid Programs including timeframes for the calculations of FFEL/DL Cohort Default Rates.

On October 28, 2009, the Department published in the Federal Register the regulations that will govern the calculation of default rates beginning with the FY 2009 cohort year. Under the new provisions, an institution's Cohort Default Rate is calculated as the percentage of borrowers in the cohort who default before the end of the second fiscal year following the fiscal year in which the borrowers entered repayment.

The Department will issue the FY 2009 draft 3-Year cohort default in 2012. The standard 2-Year CDR will continue to be published along with the 3-Year rates until 2013. Beginning with the FY 2011 cohort default rate in September 2014, 3 Year rates will be the only official rate and schools will be subject to benefits and sanctions based solely on these rates.

A trial sample of 3 Year cohort default rates was sent to institutions in February 2011 so that they could begin to consider what impact this additional cohort year might have on their default rates. Schools may want to increase their default rate initiatives in order to maintain cohort default rates within benefit range and avoid sanction criteria.

More information on 3-Year cohort default rates will be forthcoming.

OPEID:          005499
School Name:    Salina Area Technical College
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 2009, FY 2008 and FY 2007 official cohort default rates on record for your school:

Fiscal Year 2009
(1) Number of borrowers entering repayment: 99
(2) Number of borrowers who entered repayment and defaulted: 9
(3) Official Cohort Default Rate: 9.0%
(4) Rate Type: DL

Fiscal Year 2008
(1) Number of borrowers entering repayment: 96
(2) Number of borrowers who entered repayment and defaulted: 6
(3) Official Cohort Default Rate: 6.2%
(4) Rate Type: DL

Fiscal Year 2007
(1) Number of borrowers entering repayment: 71
(2) Number of borrowers who entered repayment and defaulted: 3
(3) Official Cohort Default Rate: 4.2%
(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.