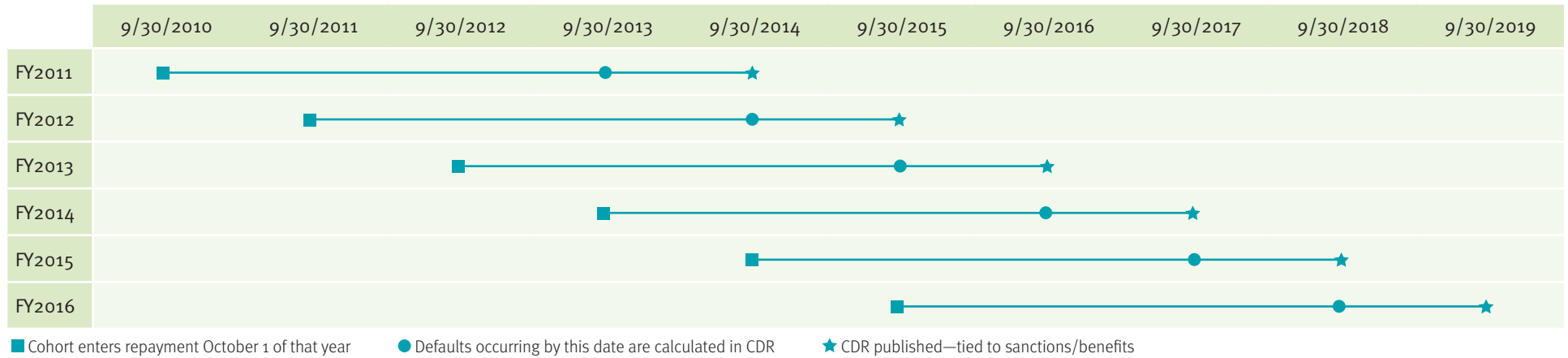


Solutions

Understanding the 3-year Cohort Default Rate (CDR)

Timeline for 3-year CDR calculation



Sanctions and benefits to schools

Calculations effective 2014

	3-year CDR	Result
Sanctions	Greater than 30%	School will lose Direct Loan and Federal Pell Grant program eligibility for the remainder of the fiscal year in which the school is notified of its sanction and for the following two fiscal years
	Greater than 40%	School will lose Direct Loan program eligibility for the remainder of the fiscal year in which the school is notified of its sanction and for the following two fiscal years
Benefits	Less than 5%	School may disburse loan proceeds in a single installment to a student studying abroad regardless of the length of the student's loan period
	Less than 15%	School may disburse, in a single installment, loans that are made for one semester, one trimester, one quarter, or a four-month period