

UNITED STATES DEPARTMENT OF EDUCATION
WASHINGTON, D.C. 20202
September 2012

St. Petersburg College
6021 142nd Avenue North
Clearwater, FL 33760-3768
NL01

OPE ID: 001528
FY 2010 Cohort Default Rate: 13.7

RE: FY 2010 Official Cohort Default Rate Notification Letter

Dear President:

This letter officially notifies you of your school's fiscal year (FY) 2010 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 2010 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 Chapter 2.1 of the Cohort Default Rate Guide, How the Rates are Calculated, available at <http://ifap.ed.gov/DefaultManagement/guide/CDRGuidePart2.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 2010 official cohort default rate is a non-averaged rate, the LRDR that accompanies this letter reflects all loans that went into repayment during FY 2010. If your school's FY 2010 official cohort default rate is an averaged rate, the LRDR that accompanies this letter reflects all loans that went into repayment during FY 2010, FY 2009 and FY 2008.

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.

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/CDRGuidePart2.html>.

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 2010 cohort default rate. However, if your school's official FY 2010 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.

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.

Institutions 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.

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/CDRGuidePart2.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 2010, FY 2009, and FY 2008 cohort default rates that are 25.0 percent or greater or your school has an official FY 2010 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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FY 2010, FY 2009, FY 2008 Cohort	FY 2010 Cohort Default
Default Rates >= 25.0%	Rate > 40.0%
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At least two of your schools three most	Your schools FY 2010 cohort
recent cohort default rates are official	default rate is an official

laverage cohort default rates and would be leveraged cohort default rate. |
 |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.	
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Your school submitted a successful participation rate index	
challenge/appeal based on your schools draft FY 2010 cohort default	
rate, official FY 2009 cohort default rate, or official FY 2008	
cohort default rate.	
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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.	
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WHAT RIGHTS DOES MY SCHOOL HAVE TO APPEAL THIS RATE INFORMATION?

Based on your school's FY 2010 cohort default rate, your school may be eligible to submit the following adjustments/appeals:

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

Loan Servicing Appeal
<http://ifap.ed.gov/DefaultManagement/guide/CDRGuidePart4.html>

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

Averaged Rates Appeal
<http://ifap.ed.gov/DefaultManagement/guide/CDRGuidePart4.html>

Thirty-or-fewer Borrowers Appeal
<http://ifap.ed.gov/DefaultManagement/guide/CDRGuidePart4.html>

Erroneous Data Appeal
<http://ifap.ed.gov/DefaultManagement/guide/CDRGuidePart4.html>

All Uncorrected Data Adjustments and New Data Adjustments must be made through the eCDR Appeals application. The 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.

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.

It has come to FSA's attention that a number of schools are challenging data in the school's cohort default rate based on an incorrect understanding of the cohort default rate calculation. This results in an unnecessary increase in the workload for the schools, data managers, and FSA. The following are some scenarios that have been noted, along with an explanation of why these allegations are considered invalid based on the current logic for the cohort default rate calculation.

1. School requests that borrower be removed from numerator as borrower defaulted, then paid the loan in full (either through consolidation or another method). Borrower will continue to be counted as a defaulted borrower for cohort default rate purposes. Current regulations only allow for a defaulted loan to be removed from default for cohort default rate purposes if the borrower successfully rehabilitated the loan within the cohort period, or, for FFELs held by a guaranty agency, if the lender repurchased the loan due to the claim being submitted or paid in error. See 34 CFR Sections 668.183(c)(2) and 668.202(c)(2).

2. School alleges that borrower be removed from numerator due to an incorrect date entered repayment that is resulting in the default date for the borrower being less than 360 days from the corrected date entered repayment. This allegation type applies to Direct Loans or loans that were PUT to the Department only, since FFELs held by a guaranty agency use the claim paid date as the default date, not the 360th day of delinquency. If a data manager agrees to correct the date entered repayment, they will update the default date to the 360th day of delinquency based on the new date entered repayment. However, if the updated date entered repayment and default date still fall within the cohort period, the borrower will continue to be counted in both the numerator/denominator. If the updated date entered repayment causes the updated default date to fall outside of the cohort period, borrower will be removed from the numerator only. If the updated date entered repayment falls outside of the cohort period, borrower will be removed from both the numerator/denominator.

3. Borrower is included in more than one cohort year. This may be correct, based upon the situation. If the borrower had a break in enrollment of

greater than six months, then the borrower will enter repayment on the loans from the first period of enrollment six months and one day after the borrower's last date of attendance (LDA) or less than half-time date (LTHT), then will receive another six month grace period based on the LDA or LTHT date of the second period of enrollment. This may result in the borrower being included in more than one cohort year. If the borrower's break in enrollment was less than six months, this is considered continuous enrollment and the borrower should be in only one cohort year.

4. School was involved in a change of affiliation/merger and has borrowers counted more than once in the cohort default rate. A borrower may be counted more than once in the school's cohort default rate if the borrower had loans certified under two or more of the OPE-IDs that were involved in the change of affiliation/merger. Please see page 2.5-2 of the CDR Guide.

If a school has any questions regarding the cohort default rate calculation, Chapter 2.1 of the CDR Guide includes a thorough explanation of how the rates are calculated. Additionally, a school involved in a change of affiliation/merger should read Chapter 2.5 of the CDR Guide for an explanation of how the change of affiliation/merger will affect the cohort default rates of all of the schools involved.

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

Tools Information	Description	Contact Information
Cohort Default Rate Guide	http://www.ifap.ed.gov/DefaultManagement/finalcdrg.html . 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 FY 1999 notification letter. The electronic version was revised January 2012 and may be found online.	May be printed from CDR Guide Link
Default Prevention and Mgmt Website	http://ifap.ed.gov/DefaultManagement/DefaultManagement.html . Contains valuable information for schools, guaranty agencies and borrowers. Contains link for eCDR process, including enrollment procedures and downloading instructions.	Operations Performance Division 202-377-4259
eCDR Appeals	Electronic Cohort Default Rate Appeals Process	Operations Performance

eCDR Appeals facilitates 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 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.	Division 202-377-4259
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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.	
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Late Stage Delinquency Assistance (LSDA) 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 https://www.myedaccount.com/ identifies borrowers whose impending default will impact the school's cohort default rate.	Direct Loan Servicer 888-877-7658 (can guide you through the process)
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National Student Loan Data System (NLSDS) 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) account associated with the NLSDS User Id that requested the report. Listed below are some reports NLSDS offers.	NLSDS Customer Service at (800) 999-8219
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Report name	Brief Description of the NLSDS Reports
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School CDR Rate History Report provides school with a copy	
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|| DRC035 |of the Loan Record Detail Report that lists students in      ||
||         |default/repayment during the cohort period indicated.      ||
||-----|-----||
||         |Enrollment Reporting Summary Report provides school users   ||
|| SCHER1 |with the chronology of enrollment reporting events.          ||
||-----|-----||
||         |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.||
||-----|-----||
||         |School Repayment Information Loan Detail provides school     ||
|| DRC015 |users with the current repayment status of certain borrowers ||
|| DRC016 |in FFEL/DL loan programs who attended a school during a     ||
||         |specific period.                                             ||
||-----|-----||
||         |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.                               ||
||-----|-----||
||         |The Delinquent Borrower Report (DELQ01) provides School users||
|| DELQ01 |a report of borrowers who have been reported as delinquent in||
||         |making loan payments to one of the federal loan servicers.  ||
||-----|-----||
||         |The School Portfolio Report (SCHPR1) provides ED users with  ||
|| SCHPR1 |with information about all Direct Loan and/or FFEL program   ||
||         |loans for a specified school.                               ||
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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/CDRGuidePart3.html>.

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 Management Services

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 issued the FY 2009 draft 3-Year cohort default rate in February. Starting this year a standard 2-Year cohort default rate 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 sanction based solely on these rates.

OPEID: 001528
School Name: St. Petersburg College
City and State: Clearwater, FL 33760-3768

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 2010, FY 2009 and FY 2008 official cohort default rates on record for your school:

FiscalYear 2010

- (1) Number of borrowers entering repayment: 3288
- (2) Number of borrowers who entered repayment and defaulted: 452
- (3) Official Cohort Default Rate: 13.7%
- (4) Rate Type: DU

Fiscal Year 2009

- (1) Number of borrowers entering repayment: 3025
- (2) Number of borrowers who entered repayment and defaulted: 380
- (3) Official Cohort Default Rate: 12.5%
- (4) Rate Type: FL

Fiscal Year 2008

- (1) Number of borrowers entering repayment: 2859
- (2) Number of borrowers who entered repayment and defaulted: 307
- (3) Official Cohort Default Rate: 10.7%
- (4) Rate Type: FL

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/CDRGuidePart2.html>.