

**From:** Penny Hartwell <phartwell@khec.com>  
**Sent:** Monday, February 1, 2010 8:49 PM (GMT)

**To:** Redacted by HELP Committee

**Cc:**  
**Subject:** RE: Default Reduction

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The start policy is an internal policy of how we count our starts. We have drawn a line in the sand to be able to cleanly call a start and move on. In the case Dominick is stating, the campus can make the decision to NOT bill them to be in the best interest of the student however, the student remains a start in our system. We have had this situation occur for the past few years and campuses have made the decision as to whether they would bill the student or not.

**Penny Hartwell**  
Vice President, Admissions

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**From:** Redacted by HELP Committee  
**Sent:** Monday, February 01, 2010 2:42 PM  
**To:** Redacted by HELP Committee  
**Cc:**  
**Subject:** RE: Default Reduction

If they drop out in first 3-30 days (range as a final), reverse them as a start, and thus reverse all of their FA. This would cut our bad debt and reduce our default exposure. This is radical but so are the consequences of missing 90/10, default, and outcomes.

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**Kaplan Higher Education Corporation**  
Vice President of Operations, Redacted by n Group  
Redacted by HELP Committee

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**From:** Jacalyn Lynn  
**Sent:** Monday, February 01, 2010 12:38 PM  
**To:** Redacted by HELP Committee  
**Cc:** Redacted by HELP Committee  
**Subject:** RE: Default Reduction

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Jacalyn E. Lynn  
Senior VP, Operations

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**From:** Redacted by HELP Committee  
**Sent:** Monday, February 01, 2010 1:32 PM  
**To:** Beth Hollenberg; Redacted by HELP Committee  
**Subject:** Default Reduction

I recently pulled data to show the number of students who have dropped within the first 7 days of attendance. They were counted as a start according to our current attendance policy. However, they incurred significant charges per our catalog tuition earning methodology. In January 2010 alone the Redacted by HELP Committee Group had 18 students that fell in this category. As you would imagine, these students are then defaulting on loans at a significant rate. I know a lot of work went in to the current start policy, but I recommend we do analysis to determine the impact on attrition and default if we lengthen the start meeting timeframe and number of days required to attend to become a start. Thoughts?

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