

**Redacted by HELP Committee**

National Director of Financial Aid

09/15/2009 11:10 AM

To Rick Patro, Deborah Zimic/Redacted by HELP Committee

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Subject FY 2007 Official Cohort Default Rate  
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**Walden's 2007 Official Cohort Default Rate, released today is 1.7**

**6130 students went into repay in 2007 and of that number 110 defaulted on their federal loans.**

Beginning with the Fiscal Year 2009, the Cohort Default Rate (CRD) formula includes students who default by the end of the second fiscal year after beginning repayment. The current CRD looks at up to two fiscal years - the one in which the borrower began repayment and the following one. The new formula looks at up to **three fiscal years** -the one in which the borrower began repayment and the following two fiscal years. Borrowers who enter repayment between Oct. 1, 2008 and September 30, 2009 and default on or before September 30, 2011 (rather than 2010), will be used when determining an institution's cohort default rate. The new formula will be used to calculate rates beginning with FY 2009, but will not be used to determine whether any high default rate sanctions apply until three years worth of rates under the new formula are available (i.e., sometime after October 1, 2011). Until then the law requires rates calculated under the current formula to be used.

We are preparing for this change by developing a default management plan and plan to monitor students who go into repayment. It is our hope the DOE Direct Lending services will provide this office with notices of students who are delinquent at set intervals (i.e., 60 days, 90 days, etc) . In the past USAFunds has assisted Walden by providing default management to our students. Walden's decision to totally phase in Direct Lending, will eliminate this service from USAFunds. It is possible, however that DOE may contract their default management services for schools.

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Walden University  
National Director of Financial Aid

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