§ 668.216 Thirty-or-fewer borrowers appeals.

(a) Eligibility. You may appeal a notice of a loss of eligibility under §668.206 if 30 or fewer borrowers, in total, are included in the 3 most recent cohorts of borrowers used to calculate your cohort default rates.

(b) Deadline for submitting an appeal.
(1) Before notifying you of your official cohort default rate, we make an initial determination about whether you qualify for a thirty-or-fewer borrowers appeal. If we determine that you qualify, we notify you of that determination at the same time that we notify you of your official cohort default rate.

(2) If you disagree with our initial determination, you must send us your thirty-or-fewer borrowers appeal, including all supporting documentation, within 30 days after you receive the notice of your loss of eligibility.

(c) Determination. You do not lose eligibility under §668.206 if we determine that you meet the requirements for an average rates appeal.

(Authority:20 U.S.C. 1082, 1085, 1094, 1099c)

§ 668.217 Default prevention plans.

(a) First year. (1) If your cohort default rate is equal to or greater than 30 percent you must establish a default prevention task force that prepares a plan to—
   (i) Identify the factors causing your cohort default rate to exceed the threshold;
   (ii) Establish measurable objectives and the steps you will take to improve your cohort default rate;
   (iii) Specify the actions you will take to improve student loan repayment, including counseling students on repayment options; and
   (iv) Submit your default prevention plan to us.

(2) We will review your default prevention plan and offer technical assistance intended to improve student loan repayment.

(b) Second year. (1) If your cohort default rate is equal to or greater than 30 percent for two consecutive fiscal years, you must revise your default prevention plan and submit it to us for review.

(2) We may require you to revise your default prevention plan or specify actions you need to take to improve student loan repayment.

(Authority:20 U.S.C. 1082, 1085, 1094, 1099c)

APPENDIX A TO SUBPART N OF PART 668—SAMPLE DEFAULT PREVENTION PLAN

This appendix is provided as a sample plan for those institutions developing a default prevention plan in accordance with §668.217(a). It describes some measures you may find helpful in reducing the number of students that default on Federally funded loans. These are not the only measures you could implement when developing a default prevention plan.

I. CORE DEFAULT REDUCTION STRATEGIES

1. Establish your default prevention team by engaging your chief executive officer and relevant senior executive officials and enlisting the support of representatives from offices other than the financial aid office. Consider including individuals and organizations independent of your institution that have experience in preventing title IV loan defaults.

2. Consider your history, resources, dollars in default, and targets for default reduction to determine which activities will result in the most benefit to you and your students.

3. Define evaluation methods and establish a data collection system for measuring and verifying relevant default prevention statistics, including a statistical analysis of the borrowers who default on their loans.

4. Identify and allocate the personnel, administrative, and financial resources appropriate to implement the default prevention plan.

5. Establish annual targets for reductions in your rate.

6. Establish a process to ensure the accuracy of your rate.