



June 15, 2020

Catalina G. Mistler, Deputy Director  
Program Administration & Services Division  
California Student Aid Commission  
PO Box 419027  
Rancho Cordova, CA 95741-9027

Dear Deputy Director Mistler,

We received the letter dated June 2, 2020 from the California Student Aid Commission (CSAC) denying our appeal to participate in the Cal Grant program for the 2020-21 academic year. Per the institutional participation agreement we formally request a hearing before the Commission.

In the letter we received, the reason for the denial of our appeal states that it is due to the California Education Code Section 69432.7(l)(3)(l)(iv)(ll) and CSAC staff's determination that our appeal does not meet the statutory requirements. However, per our 2017-21 IPA, page 14, Article VII-Corrective Measures, section C, it states that "The Institution shall be permitted to submit, and the Commission shall consider, a response to such notice, including any legal and factual reasons why such corrective measure should not be imposed. Such response shall be submitted within fifteen (15) calendar days of receipt of the Commission's written notice of its intent to impose such measure. The Commission has thirty (30) calendar days to consider the Institution's response to the notice. The Institution will be informed of the date, time and location of the public meeting at which the Commission will discuss the Institution's response and the Commission's decision thereon. Within five (5) business days following the meeting, the Commission will issue, in writing, to the Institution its final decision on the matter."

On this basis, we formally request a hearing to present our case to the Commission. In any normal year the loss of Cal Grant funding for students would be a hardship, but in a year such as 2020 where so many have suffered devastating financial impact due to the pandemic, the loss could mean the end of the pursuit of higher education entirely. These past months dealing with the effects of the pandemic has been difficult for everyone, but we've seen our students and families hit especially hard. We have already increased our institutional financial aid budget by 5% in anticipation of extra need by our students who already receive an average 54%, and we are committed to meeting the needs of our students to ensure they are provided every opportunity to complete their education despite the upheaval of these times.

During the 2019-2020 academic year 42 out of 158 Providence students received a Cal Grant, which is 26% of our student body. Of these 42 students, 36 also received Pell grants. We also have a diverse student body with roughly 57% of our Cal Grant students coming from non-white backgrounds, with many of these being first generation college students and 7 out of 42 are transfer students. We are proud to enroll students of all backgrounds and to provide them the support that they need to graduate

in a timely manner and successfully prepare for a productive future in the workforce and their communities. Because of the Cal Grant these students are able to attend our school and without it many would need to take out additional loans in order to continue attending or end up leaving which could put a delay to their graduation timeline. The loss of Cal Grant eligibility creates a significant hardship on students seeking to continue their education at their school of choice.

Providence Christian College started in 2005 as a small school of 22 students and still remains a rather small school with less than 160 students. Since we are so small our CDR has been calculated since 2012 using the "Average Rate" (for schools with 29 or fewer borrowers), using the "Average Rate" they take 3 years' worth of borrowers and 3 years' worth of delinquent borrowers so you have more borrowers in the denominator and the numerator. For example, for 2015 borrowers were combined from 2013-2014, 2014-2015 and 2015-2016, which gave 53 total borrowers in the denominator and 7 delinquent borrowers were also used from the same years for the numerator, for a 13.2% CDR.

For 2016, there were 32 borrowers going into repayment, which is above the 29 required for the average rate calculation. Out of this group there were 8 delinquent borrowers of which 3 have since brought their accounts current, which would technically give us 5 delinquent borrowers. This combination is 8/32 giving a 25% CDR. This formula is known as the Actual Rate. This unfortunately puts us out of range to participate in the Cal Grant program as they require a 15.5% and below CDR.

The historical, current, and estimated future CDR Rates:

Year	Rate	Borrowers	Delinquent
2012 Official CDR (Avg Rate)	8%	25	2
2013 Official CDR (Avg Rate)	7.1%	39	3
2014 Official CDR (Avg Rate)	8%	50	4
2015 Official CDR (Avg Rate)	13.2%	53	7
2016 Official CDR (Actual Rate)	25%	32	8
*2016 CDR (with 3 accounts brought current) *	15%	32	5
2017 Estimated CDR	8.6%	35	3
2018 Estimated CDR	3.3%	61	2
2019 Estimated CDR	2.2%	45	1

As you can see, historically the rates have been below the CSAC threshold. Since our past CDRs have been at the eligible level and this year we have been pushed from using the Average Rate to the Actual Rate we would like to appeal to continue in the program for the 2020-2021 school year based on this and several other relevant factors, such as that several students listed in the defaulted group brought their accounts current, but it was just past the cut-off date. Out of the 8 delinquent borrowers 3 have brought their accounts current that would have brought our rate to a combination of 5/32 giving a 15% CDR instead of 25%. When you are dealing with such small numbers, one or two students can make a big difference in terms of where the CDR falls. As you can see the 2016 CDR is not representative of the institution.

We have taken steps to help manage the CDR for the future by working with Ascendium using their Cohort Catalyst program. Currently our draft rate for the 2017 CDR is at 8.6% and the next several years are also projected to be well below the CSAC IPA requirements even though the number of

borrowers going into repayment are projected to increase substantially. This is a more accurate representation of the institution.

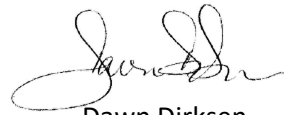
Again, we respectfully request a hearing before the Commission so that we can present our case for continued participation for our students in the Cal Grant program for the 2020-2021 school year. These funds mean a great deal to our students for the future of their education and we are convinced that you'll agree Providence Christian College is responsible partner and an institution worthy of participating in the Cal Grant program.

Thank you for your consideration.

Sincerely,

*Tina Bos*

Tina Bos  
Financial Aid Advisor



Dawn Dirksen  
Finance & Operations



**PROVIDENCE**  
CHRISTIAN COLLEGE

January 22, 2020

Catalina G. Mistler, Deputy Director  
Program Administration & Services Division  
California Student Aid Commission  
PO Box 419027  
Rancho Cordova, CA 95741-9027

Dear Ms. Mistler:

Recently we received a letter from the California Student Aid Commission indicating that we are ineligible to participate in the Cal Grant program for the 2020-2021 school year due to a 3 year cohort default rate reported at 25%. We believe that this rate is not representative of the overall institutional performance and would like to appeal to continue to participate for the 2020-2021 school year. Our students have benefited greatly from using Cal Grant funds at our institution. For some, it is the only way that they can afford their college education. We would like to explain our situation and respectfully request your consideration on our appeal for continued participation.

Providence Christian College started in 2005 as a small school of 22 students and still remains a rather small school with less than 140 students. Since we are so small our CDR has been calculated since 2012 using the "Average Rate" (for schools with 29 or fewer borrowers). Using the "Average Rate" the calculation takes 3 years' worth of borrowers and 3 years' worth of delinquent borrowers so you have more borrowers in the denominator and the numerator. This method seeks to provide a more fair and balanced evaluation for very small institutions.

For example, for 2015, borrowers were averaged from 2013-2014, 2014-2015 and 2015-2016 which gave 53 total borrowers in the denominator and 7 total delinquent borrowers in the numerator resulting in 7/53 and a 13.2% CDR.

For 2016, Providence has 32 students going into repayment (more than 29 borrowers), which means that the "Average Rate" would no longer be used, but the "Actual Rate" would, which takes the single year total borrowers and the single year total delinquent borrowers. This new method resulted in a higher CDR with 32 total borrowers and 8 delinquent borrowers, 3 of which have brought their accounts current which would technically give us 5 delinquent borrowers. This "Actual Rate" calculation is 8/32 giving a 25% CDR. This unfortunately puts us out of range to participate in the Cal Grant program as they require a 15.5% and below CDR. Taking into consideration the students who have rectified their delinquent status would make the calculation 5/32 or 15%.

Additionally, we have been participants in good standing since our first year with borrowers. In the past years our rates have been:

2012 Official CDR 8%    2013 Official CDR 7.1%

2014 Official CDR 8%    2015 Official CDR 13.2%

Our historical rates have been well-below the required CDR. Since our past CDRs have been at the eligible level and this year we have been pushed from using the Average Rate to the Actual Rate we would like to appeal to continue in the program for the 2020-2021 school year based on this and several other relevant factors, such as that several students listed in the defaulted group brought their accounts current, but unfortunately it was past the cut-off date. Out of the 8 delinquent borrowers 3 have brought their accounts current that would have brought our rate to a combination of 5/32 giving a 15% CDR instead of 25%. (Please refer to the attached supporting evidence summary point #1). When dealing with such small numbers, one or two students can make a big difference in terms of the CDR calculation.

In 2019-20 we have had 42 students participate in the Cal Grant program, roughly one quarter of our student body with \$362,023 of Cal Grant funds. In the large picture we are very small compared to other schools and the Cal Grant funds impact our students just as much and many would be unable to attend without the benefit of the Cal Grant.

In the past year we contracted with a 3<sup>rd</sup> party to help manage the CDR for the future by working with Ascendium using their Cohort Catalyst program. (Please refer to the attached supporting evidence summary point #2). Currently our rate for the 2017 CDR is projected to be 8.6% and the next several years look promising to be well below the CSAC IPA requirements.

We appeal to you and the commission to reconsider our participation in the Cal Grant program based on our small numbers and the fact that 3 students have brought their accounts current which would have put our rate within range of the requirements. Please consider allowing us to participate in the Cal Grant program for the 2020-2021 school year. These funds mean a great deal to our students future education and we hope that you will allow us to participate once again.

Thank you for your consideration.

Sincerely,



James Belcher, PhD  
President



Tina Bos  
Financial Aid Director



Dawn Dirksen  
Chief Fiscal Officer

Enclosure(s): Supporting Evidence Summary and Documentation

Providence Christian College - Appeal to California Student Aid Commission

Supporting Evidence Summary and Documentation

1. Three Borrowers whose accounts are now current. This has been redacted to protect student privacy.
  - a. Student A - in repayment as of 9-24-2019
  - b. Student B - in repayment as of 12-13-2019
  - c. Student C - loan paid in full as of 8-6-2019
2. Cohort Catalyst Projections of CDR's for 2017 through 2019
  - a. 2017 - estimated CDR 8.6%
  - b. 2018 - estimated CDR 3.3%
  - c. 2019 - estimated CDR 2.2%



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Overpayment List | Grants | Delinquent Borrowers | Exit Counseling History | Student Contact Info | Student Access Interface | Reaffirmation History | Perkins Submittal | SSN Conflict

SSN: First Name: DOB: (MMDDCCYY) Retrieve

Previously Retrieved Borrower: - Select -

Student A

Loan History

Aggregate Loan Information

Loan Type	Outstanding Principal Balance	Pending Disbursements	Total
			Award Year: 2015 ⓘ
Undergraduate			
Subsidized Loans	\$5,250	\$0	\$5,250
Unsubsidized Loans	\$9,000	\$0	\$9,000
Combined Loans	\$14,250	\$0	\$14,250
Consolidation Loans, Unallocated	N/A		N/A
<b>Totals</b>			
Subsidized Loans	\$5,250	\$0	\$5,250
Unsubsidized Loans	\$9,000	\$0	\$9,000
Combined Loans	\$14,250	\$0	\$14,250
Consolidation Loans, Unallocated	N/A		N/A
<b>Other</b>			
Perkins Loans	N/A		N/A

Currently Sorted by LOAN DATE, No filtering

1 D0 - DIRECT STAFFORD SUB (SULA ELIGIBLE) Status: RP as of 09/24/2019 | Loan Detail  
PROVIDENCE CHRISTIAN COLLEGE - 04153900

<b>Approved Amt:</b>	\$1,750	<b>Disbursed Amt:</b>	\$1,750	<input checked="" type="checkbox"/> <b>OPB:</b>	\$1,987	<b>Agg. OPB:</b>	\$1,750
<b>Loan Date:</b>	09/30/2014	<b>Sep. Loan Ind:</b>	A	<b>Loan Period:</b>	09/30/2014 - 09/30/2015		
<b>Last Disb. Date:</b>	09/30/2014	<b>Last Disb. Amt:</b>	\$1,750	<b>Acad. Lv:</b>	1		
<b>ED Servicer:</b>	DEPT OF ED/NAVIENT - 578						

2 D2 - DIRECT STAFFORD UNSUB Status: RP as of 09/24/2019 | Loan Detail  
PROVIDENCE CHRISTIAN COLLEGE - 04153900

<b>Approved Amt:</b>	\$3,000	<b>Disbursed Amt:</b>	\$3,000	<input checked="" type="checkbox"/> <b>OPB:</b>	\$3,601	<b>Agg. OPB:</b>	\$3,000
<b>Loan Date:</b>	09/30/2014	<b>Sep. Loan Ind:</b>	A	<b>Loan Period:</b>	09/30/2014 - 09/30/2015		
<b>Last Disb. Date:</b>	09/30/2014	<b>Last Disb. Amt:</b>	\$3,000	<b>Acad. Lv:</b>	1		
<b>ED Servicer:</b>	DEPT OF ED/NAVIENT - 578						

3 D0 - DIRECT STAFFORD SUB (SULA ELIGIBLE) Status: RP as of 09/24/2019 | Loan Detail  
PROVIDENCE CHRISTIAN COLLEGE - 04153900

<b>Approved Amt:</b>	\$3,500	<b>Disbursed Amt:</b>	\$3,500	<input checked="" type="checkbox"/> <b>OPB:</b>	\$3,949	<b>Agg. OPB:</b>	\$3,500
<b>Loan Date:</b>	09/30/2013	<b>Sep. Loan Ind:</b>	A	<b>Loan Period:</b>	09/30/2013 - 09/30/2014		
<b>Last Disb. Date:</b>	09/30/2013	<b>Last Disb. Amt:</b>	\$3,500	<b>Acad. Lv:</b>	1		
<b>ED Servicer:</b>	DEPT OF ED/NAVIENT - 578						

4 D2 - DIRECT STAFFORD UNSUB Status: RP as of 09/24/2019 | Loan Detail  
PROVIDENCE CHRISTIAN COLLEGE - 04153900

<b>Approved Amt:</b>	\$6,000	<b>Disbursed Amt:</b>	\$6,000	<input checked="" type="checkbox"/> <b>OPB:</b>	\$7,141	<b>Agg. OPB:</b>	\$6,000
<b>Loan Date:</b>	09/30/2013	<b>Sep. Loan Ind:</b>	A	<b>Loan Period:</b>	09/30/2013 - 09/30/2014		
<b>Last Disb. Date:</b>	09/30/2013	<b>Last Disb. Amt:</b>	\$6,000	<b>Acad. Lv:</b>	1		
<b>ED Servicer:</b>	DEPT OF ED/NAVIENT - 578						

Notes:

- ⓘ For the determined award year and academic level displayed, the dependency status is/was Independent.
- Ⓜ Amount includes capitalized interest.



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Overpayment List Grants Delinquent Borrowers Exit Counseling History Student Contact Info Student Access Interface  
Reaffirmation History Perkins Submittal SSN Conflict

SSN: First Name: DOB: (MMDDCCYY) Retrieve

Previously Retrieved Borrower: - Select -

Student B

Loan History

Aggregate Loan Information

Loan Type	Outstanding Principal Balance	Pending Disbursements	Total
			Award Year: 2015 ⓘ
Undergraduate			
Subsidized Loans	\$2,316	\$0	\$2,316
Unsubsidized Loans	\$3,880	\$0	\$3,880
Combined Loans	\$6,196	\$0	\$6,196
Consolidation Loans, Unallocated	N/A		N/A
<b>Totals</b>			
Subsidized Loans	\$2,316	\$0	\$2,316
Unsubsidized Loans	\$3,880	\$0	\$3,880
Combined Loans	\$6,196	\$0	\$6,196
Consolidation Loans, Unallocated	N/A		N/A
<b>Other</b>			
Perkins Loans	N/A		N/A

Currently Sorted by LOAN DATE, No filtering

1		D0 - DIRECT STAFFORD SUB (SULA ELIGIBLE) PROVIDENCE CHRISTIAN COLLEGE - 04153900		Status: RP as of 12/13/2019		Loan Detail	
Approved Amt:	\$3,500	Disbursed Amt:	\$3,500	OPB:	\$2,316	Agg. OPB:	\$2,316
Loan Date:	09/30/2014	Sep. Loan Ind:	A	Loan Period:	09/30/2014 - 09/30/2015		
Last Disb. Date:	09/30/2014	Last Disb. Amt:	\$3,500	Acad. Lv:	1		
ED Servicer:	DEPT OF ED/GREAT LAKES - 581						
2		D2 - DIRECT STAFFORD UNSUB PROVIDENCE CHRISTIAN COLLEGE - 04153900		Status: RP as of 12/13/2019		Loan Detail	
Approved Amt:	\$6,000	Disbursed Amt:	\$6,000	OPB:	\$4,146	Agg. OPB:	\$3,880
Loan Date:	09/30/2014	Sep. Loan Ind:	A	Loan Period:	09/30/2014 - 09/30/2015		
Last Disb. Date:	09/30/2014	Last Disb. Amt:	\$6,000	Acad. Lv:	1		
ED Servicer:	DEPT OF ED/GREAT LAKES - 581						

Notes:

- ⓘ For the determined award year and academic level displayed, the dependency status is/was Independent.
- Ⓜ Amount includes capitalized interest.





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Overpayment List | Grants | Delinquent Borrowers | Exit Counseling History | Student Contact Info | Student Access Interface |  
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Student C

SSN: \_\_\_\_\_ First Name: \_\_\_\_\_ DOB: \_\_\_\_\_ (MMDDCCYY) Retrieve  
Previously Retrieved Borrower: - Select -

Loan History

Aggregate Loan Information

Loan Type	Outstanding Principal Balance	Pending Disbursements	Total
<b>Undergraduate</b>			Award Year: 2015 <sup>Ⓟ</sup>
Subsidized Loans	N/A	N/A	N/A
Unsubsidized Loans	\$0	\$0	\$0
Combined Loans	\$0	\$0	\$0
Consolidation Loans, Unallocated	N/A		N/A
<b>Totals</b>			
Subsidized Loans	N/A	N/A	N/A
Unsubsidized Loans	\$0	\$0	\$0
Combined Loans	\$0	\$0	\$0
Consolidation Loans, Unallocated	N/A		N/A
<b>Other</b>			
Perkins Loans	N/A		N/A

Currently Sorted by LOAN DATE, No filtering

D2 - DIRECT STAFFORD UNSUB  
PROVIDENCE CHRISTIAN COLLEGE - 04153900

Status: DP as of 08/06/2019

Loan Detail

<b>Approved Amt:</b>	\$5,500	<b>Disbursed Amt:</b>	\$5,500	<b>OPB:</b>	\$0	<b>Agg. OPB:</b>	\$0
<b>Loan Date:</b>	10/23/2014	<b>Sep. Loan Ind:</b>	A	<b>Loan Period:</b>	08/28/2014 - 05/08/2015		
<b>Last Disb. Date:</b>	01/22/2015	<b>Last Disb. Amt:</b>	\$2,750	<b>Acad. Lv:</b>	1		
<b>ED Servicer:</b>	DEBT MANAGEMENT AND COLLECTIONS SYSTEM - 556						

Notes:

<sup>Ⓟ</sup> For the determined award year and academic level displayed, the dependency status is/was Dependent.

PRIVACY ACT OF 1974 (AS AMENDED)

## Providence Christian College - 1/23/2020

### Summary Data

#### 2019 Cohort Year

Borrowers in Default	<u>1</u>
Borrowers Entered Repayment	<u>45</u>
Borrowers over 240 days Delinquent	0
Borrowers At Risk	<u>4</u>
Estimated Cohort Default Rate	2.2%
Estimated Risk Factor Rate*	11.1%

#### 2018 Cohort Year

Borrowers in Default	<u>2</u>
Borrowers Entered Repayment	<u>61</u>
Borrowers over 240 days Delinquent	<u>4</u>
Borrowers At Risk	<u>9</u>
Estimated Cohort Default Rate	3.3%
Estimated Risk Factor Rate*	18.0%

#### 2017 Cohort Year

Borrowers in Default	<u>3</u>
Borrowers Entered Repayment	<u>35</u>
Borrowers over 240 days Delinquent	<u>1</u>
Borrowers At Risk	0
Estimated Cohort Default Rate	8.6%
Estimated Risk Factor Rate*	8.6%