[MARTIN:] Okay, here's sort of the agenda we're going to go over this morning. As you heard Secretary Duncan yesterday mention, the top priority right now is moving into Direct Loans, and so most of the agendas are set up that way. We'll be talking about creating and updating Direct Loans, origination and disbursement records. We're going to show you how to set up a disbursement profile. We'll talk to you about express reports if we get that far. There are a set of reports that you can pull out of EDExpress, and there is also a set of reports that we'll be sending you from COD, and Express will take those COD reports in and pop them up on the screen for you and you can read them, and then if you want to print them out, you can also print them as well. If we don't get to those reports, don't panic. Come down to the PC lab, we'll show you those reports. Come into the hands-on session, we'll show you the reports there.

All right, let me see who we have in our audience today. How many of you are brand new to EDExpress, have never used EDExpress before? Okay. How many have used EDExpress for like Pell or some other ACG national fund? Okay, good. Those of you who just raised your hands already know how to do Direct Loans. It is so similar you're going to go, this is nothing. The difference is in the way we handle promissory notes, and the way we handle disbursements, but everything else is the same, and some of the tools that we give you in EDExpress that you use in Pell now you can use in Direct Loans as well, and we'll try to point that out to you. How many of you are new to Title IV, to Federal Student Aid? Okay. Then we don't need to do any praying for anybody. I'm a great believer in cheat sheets and simplifying things, and my job in the past years was to go out to Direct Loan schools and help them get started, get up and running, and I developed a 1-page cheat sheet called Bob's 8 Steps for Staying in Sync with COD and Staying Out of the Penitentiary, and somebody in my chain of command said to me, Bob, that's kind of long and folksy, and I said, you're right, and so I now call it Bob's 8 Steps for Staying Out of the Penitentiary. If you would like to have that, send me an e-mail. My e-mail address will pop up on the screen toward the end, and when I get back to Dallas I'll send you a copy of it. It's one page, 8 steps, and once you know those 8 steps then you know the process, because it just repeats itself over and over again. How many combination schools do we have in here? People who are going to use EDExpress to move data from their system into EDExpress, turn it into an XML document, and then shove it on into SAIG? Okay. We've got some stuff in here for you, too, and if you have questions about how to do that, then be sure and go down to the PC lab and talk to those folks down there, and they'll answer your specific questions.

For those of you that are new and don't know what EDExpress is, it's a piece of software, it's an application that we produce each year. Generally we produce 2 versions of it, 2 releases. The 1st version comes out early January, it contains the global apps and packaging modules. In early spring, like March or April, then we will produce release 2, which contains the direct loans and the grant modules. Because of all the new legislation that has been going on over the last 3 or 4 years, we have been having to put out 4 and 5 releases every year, and it takes a whole bunch of work to do that, and Sally and her crew are the ones that make that happen for us. And then at some point in there we have to fit the Pell tables in when they come out, when they're published, so that may either be a new release, or else I can slip it into another release.

The splash screens that you see here, the green, is the 2009-10 version, the blue will be the 2010-11. What we're going to show you here, and what you're going to see in the hands-on session, is the 2009-10 version of the software. We're still working on the 2010-11 version. Next week Jody and I will be testing release 1 all week, and if we don't find anything, then we'll give it a thumbs up and we'll put that out there for you in December. Usually I do a section in here on what's new for the 2010-11 version, I can't do that too much because we just have too much to cover, but a couple of things I did want to point out. Jane, my friend from Spokane, was telling me that in one of the other sections people were asking about the PLUS loans, and this ties into your comment a little while ago. Last year I was detailed over to help bring new Direct Loan schools on board, and when I was doing that Jody was filling in for me, and I worked with a huge school in the midwest, a HUGE school in the midwest, and one of their big complaints was, if y'all had a web site where we could go, parents could go, and they could fill in their PLUS data, and I thought it was a great idea, so I arranged a meeting between the school and the people that can make that happen, and we are now converting the eMPN web site into a new web site called My Direct Loans, and on that you'll still do your MPNs, both the student borrowers and the parent borrowers will do their electronic master promissory notes, but parents and grad students will also do their PLUS application there. Once we capture that information, we will do what is called a PLUS Acknowledgement Response back to the school, and you can use the data in there to import that into EDExpress, and that will create a PLUS loan record for you. You'll still have to plug in loan amount approved, and that kind of thing, and disbursement dates, but that's a big step to help you not have to be gathering as much paper. Speaking of paper, we want you to go paperless. Electronic master promissory note is where you want to be. Electronic MPNs have no dollar figures on them; they're just boiler plate language. If your students say we want a paper copy, tell them to go up on the eMPN web site and print out a copy. Use their PIN, that's how they sign it, using their PIN. The dollar figures come to the students on the disclosure statement, and we're going to tell you how in the EDExpress we want you to mark the print indicator "S," meaning you want COD to print that disclosure statement and mail them to your borrowers. You don't want to be doing that. You want to get out of the paper business. So, Jane, does that make you feel better about the PLUS acknowledgement? Good. And do you see now, we do listen to you. This new web site would not have occurred had that school not complained about it, and we listened.

We have some other changes, none of them are very big. The changes that we are making are because of Vista. The biggest change that you'll see for 2010-11 is that we're putting the default location for the database in its own directory under your root directory. If you're loading it up as a network, in a network configuration, we have instructions in the documentation to tell you where to load it, and you'll see more about that.

Okay, let's talk about where we're going with Direct Loans. The target with Direct Loans is you're trying to book a loan, what we call book. Booking is a big deal in the Direct Loan world, and booking means that responsibility for that loan shifts from you to the Department. It takes 3 things to book a loan, and they're listed up there on the screen for you: Accepted loan origination record, or LOR. You'll hear us talk about LOR, that's a loan origination record. In the FFEL world you certify a loan. In the Direct Loan world, you originate a loan. Origination is the same as certification. If you send us an originated loan, that means you've certified the eligibility. Then we need an accepted MPN. Usually that will take the form of an electronic MPN acknowledgement coming back to you from COD that your borrower has gone up on the eMPN web site and executed the master promissory note. And then, we have to have an accepted first disbursement record. You can have an MPN that is accepted, you can have an LOR that is accepted, but until you disburse money, you have no loan. So, if part of your awarding process means you generate LORs and send them into COD, and then the kid never shows up for school, nobody is hurt. We just have some empty potential loan records sitting up there on the COD database, and we're going to urge you to clean that up, but if you don't there's no harm.

So let's explore how we get to that target. EDExpress is a very sophisticated piece of software. It does lots of things, but it needs a little bit of help, and we do that through the global setup, and we identify your school in there by codes, and we do that because a lot of the data that gets sent to COD over the SAIG has your number in there, and that's how we identify where it's coming from. When we release the software, we do a scan of [inaudible] we know what schools have been processed and certified for which Title IV programs, but people are coming into the program all the time, so if your school isn't there, you'll have to add your school into the database, and you can do that. We were going to show you how to do that, but I think what we're going to do is kind of skip over that.

On this screen right here you'll see that there are several things you can set in the global setup that will make things easier for you. If you have your office broken down so that this person's going to do Direct Loans, and this person's going to do Pell, then each person can go in here and can set up just for themselves, so that when they log in under user 1 or user 2 or Billy Jack, or whatever the name is, then all of these settings will apply to them. A couple that are important, you might want to set this for Direct Loan so that when you log in Direct Loans comes up first, and you don't have to do a bunch of keystrokes. The other is, right here, default report file destination. Route everything to the screen first, rather than the printer. You don't want to print everything that you're looking at. Sometimes you just want to pop it up on the screen, read it, and then do away with it. For Direct Loans specifically you have to do some setup, and what we call COD setup. You have to set up the system, the school, because we have to identify you, and then the disbursement profile code. How many do not know what COD means? That's the Common Origination and Disbursement system. Every loan, every grant goes into the COD system. It's processed there, it's regurgitated back out to you over the Student Aid Internet Gateway. How many know where COD resides? Where? It's in Plano, Texas. That's where the box is. It used to be in Meridin, Connecticut, and then we re-let that contract, and Faro Systems picked it up. Another little tidbit here. Faro Systems just got bought out by Dell. But anyway, the box resides in Plano, Texas, and so everything you're sending in is going through that box there, and then it's coming back to you over the Student Aid Internet Gateway. There are a couple of optional setups, and we're not even going to talk about them because they're optional. If you decide you want to use those, call that number I gave you, 800-330-5947, and they'll tell you how to use them.

Set up Direct Loan school. You have to do this, because we need to identify the data coming from your school. Now, if you're a school that processes for more than one campus, then you'll have many of these listed here. I'm not going to go into exactly how we do that, I'm going to skip that, I want you take a look at the next slide here, because in the software these 2 slides are actually one screen, but in here there is some data that refers to the origination fee percentages and the rebate, because with Direct Loans if we extract an origination fee, then we give some back in the form of a rebate up front. That's to encourage repayment when they go into repayment. I won't get into the details of that, but we give some money back to the borrower. The reason I'm showing you this is because depending on what the date is that you disburse, these figures may change. These are the 2009-10 setup figures. For 2010-11 they're different, they drop down. They drop down to 1% and 0.5 for the rebate. So if you disburse before July 1st using the 2010-11 software then you have to change those numbers. If you don't know how to do that and you're worried about it, call that 800 number and somebody will walk you through it.

The mere fact that you know that you can add your school, I think, is sufficient. At the point where you need to do that you have help to do that. It's very easy to do, you can click on the help text, and the help text will tell you how to do it.

Why are we adding your school code? Because COD needs to know who this is coming from, who the data is coming from. And they do that through the means of entity IDs, and those are random 8-digit numbers that are going to be assigned to you when you sign up for Direct Loans. If you are already doing Pell, you already have entity IDs, and there are 3 of them that are critical. All 3 may be the same number for your campus, but if you're processing for another campus you may have some different numbers, but you're going to have an attended entity ID, a reporting entity ID, and lastly a source entity ID. The source is who is shooting it over SAIG, and it could be all the same numbers for all 3 of those entities.

Now, this part here is critical. I want to talk to you about setting up a disbursement profile code. You do have to set these up, but it's a way for you to save a whole bunch of keystrokes. What we're going to do is set up some things we anticipate doing. You can always change these at the point where you get ready to make this a real deal, but this will save you some keystrokes. You'll notice that the dialogue box shows that there is a disbursement profile code here for this school, that's your Direct Loan school code. Usually they begin with G, sometimes they begin with E, but mainly G. What we want to do is set up a disbursement profile for first-time freshmen, so we're going to let Sally show us how to do that in the software. The critical piece about this is that you can set this up for Pell, and use it for Direct Loan. You can set it up for Direct Loan and use it for Pell.

[SALLY:] Okay, the way that you do that is, this is the main screen that you're on when you open EDExpress. You click on Tools, Setup, and you'll see a recurring theme for all the setups is by going to Tools and Setup, and then for Direct Loan you click on the COD tab, if it's not already selected for you. For the disbursement profile you click on the button labeled Disbursement, and we already have one up here, but I'm going to create a new one which is for first-time freshmen, so I'll click on Add. Then I'm going to click on the DL, that is for the DL module. Now, you can create these disbursement profiles if you have the same disbursement dates for your Pell and your DL and your TEACH. You can create the same disbursement profile for each of those modules by checking all 3 of these or just 2 of those or just 1 of those. This one I'm only going to do for the DL, and the DL code that's in the school setup, that automatically goes in here, but if you have more than one school, you can click the ellipsis button and choose the school that you want this disbursement profile to be created for. The next thing that you have to do is enter the disbursement profile code. For a first-time freshman I'm just going to put FTF. This is anything that you want the code to be, it's a 4-digit code, and then there's a description so that you don't have to remember exactly what that code means, you can type a longer description for it, so I'm going to put first-time freshman, or freshman x1, whatever goes in there first. Then, as soon as I tab, I go down to the academic year start date. Now, academic year start dates and loan periods obviously are not for your Pells, so those won't be applicable when you use this profile for Pell and TEACH, but they are for your DLs, so you have to enter those in, so I'm going to put 07/01/2009, and I don't have to enter the dashes, just the numbers, and then for the ending date I'm going to put 06/30/2010, and I'm going to put the same for my loan period. Obviously that isn't always the case, but it's exactly the same as your academic year profile.

[MARTIN:] For most schools your loan period and your academic years will be one and the same. The dates will be the same, but for clock-hour schools you'll have loan periods that fall within the academic year, but don't necessarily mimic it.

[SALLY:] Okay, and then in this case I'm going to go ahead and put in 08/01 for first disbursement date. You can add up to 20 disbursements, I'm only going to add 2 disbursements, and then I'm going to put 01/11/2010, and those are my anticipated dates for when I think I'm going to disburse these loans, and as Bob said, those can be changed on the individual records. So then, all you have to do is click Save, and you've got that. Now, if you want to look at all your disbursement profile codes, you click on Retrieve, and you can see the code and the disbursement and for which module that they are applicable. Click Okay, and then you click Okay again, and you're done. So you can add as many of those as you need.

[MARTIN:] Those are big time savers, because when Jody gets around to explaining to you how you can move ISIR data into the Direct Loan module to create loan records, it will ask you if you want to apply one of these disbursement profiles.

Okay. We're going to skip the next screen on the MPN printer. This is for people who are printing MPNs on your campus. If you're doing that and it's not printing in the spaces on the MPN form, then call that number and they'll talk you through adjusting your printer settings to get this to print correctly. So I'm going to sit down, and Jody is going to come up and talk to you about loan origination records.

[SEARS:] Good morning, everyone. Well, now that you've entered all the setup information in EDExpress for your school, we're going to demonstrate how to create a Direct Loan origination record that you'll ultimately export and transmit to COD. We'll be demonstrating how to create a single origination record manually, and this probably isn't the process that you'll use on a regular basis, probably more on a case-by-case basis because it's not the most efficient way, but it's a good way to demonstrate how the origination record is created, and then we'll show you some other ways that you can create multiple origination records at the same time, like using the ISIR import, or for those schools who use a mainframe system in combination with EDExpress, how you can create the origination records through the external add process. I'm also making a little modification to my part of the presentation to make it a little more efficient, so I'm going to ask Sally to go ahead and go into the software, and I'm going to talk through a couple of these slides while I point out some items on the screen.

First of all, while Sally is going in and starting or initiating an origination record, the first thing that she does is open up the record for a student, and in this case, as Sally's getting that part ready, I notice that we've opened up the record and now we're on a demographic tab for the student. If you already use EDExpress for Pell, then this place is kind of familiar to you. I know I fade out every time I turn, but I have to look at the slides. One of the things I wanted to point out is that the demographic tab is a global function. Just like the demographic tab is associated with the Pell grant record that you send in for an origination, it's also part of the Direct Loan origination record. It's part of the packaging record, it's a part of the SMART grants or TEACH grants and the ACG grants as well, so that origination record can be attached to a lot of things. So it's on its own tab, and it's kind of a global feature. One of the other things that I wanted to point out, the loan entrance counseling date completed, if you've made this adjustment in your setup that you don't want to disburse to any student who has not completed the loan entering his counseling date, that's where the information is provided, and it acts like an edit. It will prevent you from making a disbursement unless that field is filled in. You can fill this in manually on this page, or you can use multiple entry to fill it in, but that's one of the examples of what you would use on the demographic page. In addition, I wanted to point out that when you open up to the demographic page, there are a few things that you must have entered on the page in order to at least save the record, and that would include the first and last name of the student, the complete address, and the date of birth. Additional information that you may want to include, because COD is going to require it for the Direct Loan record, are things such as the dependency status and the citizenship status and the phone number.

All right, now that we're already on the demographic record, Sally can now click over to the origination tab and we can begin the steps to walk through creating an origination record. A couple of things that I want to point out before we do that, okay, no, I think I'm going to have Sally go ahead and walk us through the steps to create a subsidized loan origination record.

[SALLY:] On the origination tab, you'll notice that there are 3 different tabs up here, one says Direct Loan, one says Pell grant, one says TEACH grant. So, of course, I'm going to stay on the Direct Loan tab to create the origination for Direct Loan, and I can either click on record and add, or I can click the plus button here, and it brings up a little dialogue where you'll choose the loan type, we have each one of these, and if there's a value that has just a single character throughout EDExpress you can do the fly over help, just put your mouse over it and it will tell you what is. So, I'll just choose subsidize for the loan type. My DL code from my setup is already on display, but you can choose another one which you have set up, and then this is where the disbursement profile code that I set up earlier would be displayed. For the disbursement profile code, since I don't remember all of my codes that I set up, I can just click on the ellipsis button, and it will show me my description and so forth, so I'm going to go ahead and choose the upperclassman that we already had set up, and I click Okay, and what this does is it starts the origination record for you. It puts the DL code in here, it has your disbursement profile code, it automatically put in your loan period and your academic year start dates because of that, which you already had set up. The dependency status it got from the demo tab, so in this case it had a D in there. I need to fill in the loan amount approved, so for this case I'm going to go ahead and put in 4500, then I'm going to tab down to the CPS transaction number. I'm going to enter a 1, but if your ISIRs are in EDExpress, you can click the ellipsis button, and choose the ISIR that you are basing this loan off of, but since I don't have an ISIR in for this particular student, I'm just going to enter it in. Then, for the borrower's loan default and grant overpayment, I'm going to go ahead and choose no, there's obviously a yes in there in that dropdown, and then for the college grade level I'm going to go ahead and choose 1. For the MPN status I'm going to put in T, for the school assumes the MPN exists. This is because I assume that this student already has an MPN, so I don't have to print one for him.

So now what I'm going to do is I can either click on the dollar sign for originating this loan, or I can click on process originate. As you can see, I did receive an edit. EDExpress edits on your loan amounts. As probably a lot of you noticed, I put in 4500 for the loan amount, but I put in a 1, and 4500 for a subsidized loan is obviously too high, so EDExpress edits for that, and it will tell you that this will not work for this grade level. So it tells me it didn't save it and didn't originate it, so what you need to do is obviously go back and fix whatever the problem is, whether it's the loan amount approved or the grade level. In this case I'm going to go ahead and put 2 in there, and I just hit originate again, and it says the loan is originated. What that means is it is ready to now send to COD, and the origination status is right here, has an R, ready to send to COD. The other thing that it did is it also created the disburse tab. Now your disburse tab is available for this loan, and another thing that the disbursement profile code did is it took those disbursement dates that I added, and it put those in here for the 1st and 2nd disbursement, it took the loan amount approved that I put in, and divided that. It used the fee and the rebate, and it has your net amount in here. So now you have disbursement, or anticipated disbursements, to send along with your origination to COD.

One other thing that I want to point out is the loan ID that was created using the Social Security Number, and then in the middle you can tell that it's an S for that, and on the disburse tab you can also tell which loan you're on by using the information up here.

[SEARS:] All right, I wanted to ask a question to the audience. For those of you who already use EDExpress for Pell, how many of you use the disbursement profile codes? Okay. How many of you do not? Okay. One thing I want to point out, for that group in particular, is that disbursement profile codes are not required for a Pell origination record. They are required for a Direct Loan origination record. Those anticipated disbursements are a part of the origination record, so you must use them, so one other thing I wanted to reiterate is that you can create a disbursement profile code that you can use for Direct Loan that you're going to have to use, and then you can also use it for your Pell records as well. You can make that disbursement profile code work in the Pell, Direct Loan, and TEACH module if you want, or you can create them to only work in 1 module or 2 modules. So, it's pretty flexible, but ultimately it does save you a little bit of time.

All right. I'm going to ask Sally to click, oh, she did. She's already back into the origination tab. What I want to explain is that you can create additional origination records for the student, and of course all the records will be maintained in the loan origination tab. In this case, let's think about creating a PLUS loan for a student. You follow the exact same steps that Sally went through to create the subsidized loan. You would click Add, and then you would select P for PLUS, and of course you would have to also select the disbursement profile code that is appropriate, so I'm going to just have Sally pick the correct one that works. All right. So you can see, the basic steps are the same, but there are a couple of differences on this loan origination page that were not on the subsidized loan origination page, and the first one that I want you to notice is now we have 2 questions about the default question on loans for both the student and the parent borrower. That's one of the changes. The other change is up here on the PLUS loan information. Because the parent is the borrower on the PLUS loan, we need to have a place to collect the parent borrower information, and this is where you would enter that information. You can see a couple of the other tabs up here that are strictly related to PLUS loan, which is the credit information as well, and then of course change history applies to both the subsidized loans and parent loans, and you'd be able to track seeing any changes you make subsequent to creating that original first record. One other thing I'd like to point out, and it would originate in the same way, and I'll save Sally those steps. I wanted to point out the little button arrows at the top. EDExpress will store all the loan origination records for that student, and you can go from loan record to loan record just by using those buttons at the top to navigate back and forth, and they're stored alphabetically, so parent PLUS loan would be first, sub second, and the additional unsub loan if you have to create one of those as well. All right.

Sally, why don't we go to slide 21 and we'll talk about the other difference from Pell. Many of you use EDExpress for Pell. We talked about the disbursements being one of the differences between Pell and Direct Loan. The other difference is managing master promissory notes, and I wanted to cover this with the next 2 slides explaining how the linking logic works within EDExpress in regard to master promissory notes or multiple-year notes. All loan origination records must be submitted with an MPN status to COD. Most schools use the multi-year master promissory note where one promissory note can be linked to multiple loans over multiple years. We wanted to provide these slides to explain how that linking logic works. In order to be able to have disbursement records accepted at COD, you have to have an accepted loan origination record and an accepted MPN status. Otherwise, your disbursement records will not go through, your actual disbursements. In EDExpress, the multi-year note that if we think one may exist for a student we can link an MPN that's already accepted for one loan record for a student to another loan record we've created by using the status of T as the MPN status in the loan origination record. I'll explain real quick what I mean by that. Let's say that you have a subsidized loan for a student, you've sent it off, it's an accepted origination record, and the MPN status is also accepted. Then let's say that you applied for that student to have a PLUS loan. Unfortunately, the parents' credit was denied, so now you've moved to giving that student the additional unsub loan. When you create that additional unsub loan in EDExpress, EDExpress is going to notice that the subsidized loan has an MPN status of A. EDExpress will look at that and know that when you create that unsub loan it will give it a loan status of T, meaning we expect that the MPN exists at COD. When you send that unsub loan to COD, COD will process the loan, accept the loan origination record, and then provide the A for the MPN origination status. Only COD can provide an MPN status of A. Even if we know one's out there and we just sent it, only COD will provide that A status.

In the next slide, I wanted to explain how linking works if you don't already have an MPN status for a loan record. For instance, if you import ISIRs into EDExpress, the ISIR contains a Direct Loan MPN status flag. If you do an ISIR import from the applications module into the Direct Loan module to create your origination records, EDExpress will note that MPN status flag on the ISIR, if it has an MPN status flag of A, meaning accepted, meaning the ISIR recognizes that COD had an accepted MPN status, EDExpress will interpret that A as a T, meaning we expect that an MPN exists at COD, and of course when you transmit the record to COD it will be processed and come back with an A status. And again, who knows what could have happened to the MPN status at the moment in time that you send it to COD. Maybe the MPN status flag on the ISIR could have been a little bit older, and in the meantime it could have been canceled or something at COD. That doesn't happen very often, but again that's why COD has to be the one that provides the status of A.

All right. I'm going to ask Sally to go back into the software, and I just want to show the import process for importing ISIRs into the Direct Loan module, and if you just pull up the screen, the import dialogue box is really all we need to do. In order to do the ISIR import into the Direct Loan module, this is a real efficient way to create a whole bunch of origination records at one time. They won't be ready to originate, but most of the keystrokes will be done. All you have to do is click file import, or the import icon, and then select the Direct Loan tab. Now what we'll do is we'll select the import type, and in this case we just want loan data ISIRs to come over into the Direct Loan module, and then of course we'll identify that we want it to go to screen because we like to have things go to the screen before we send it to the printer, and we will have to identify the Direct Loan school code that we're using. If you only process for one school, whatever school you've defaulted is the school that will show up in this particular box. But if you are a servicer processing for multiple schools, then you would identify the school code. You identify the loan type that you're creating. You can only create one loan type at a time, so if you have a student that's going to have 2 loan records, you'd have to import their ISIR twice, once for the subsidized loan, perhaps once for the unsubsidized loan, we're going to identify unsub, and we have to identify a disbursement profile code. Again, remember, that's a required element in creating Direct Loan origination records, and we'll say okay. I want Sally to also click on the selection criteria, because you can control what ISIRs come over by using selection criteria. That's one of the more powerful tools in EDExpress. You can either use a query to maybe pull over ISIRs with certain EFC values, or ISIRs by last name, or ISIRs by date received. I mean, you have all kinds of ways that you can pull over their ISIR information. You can also use select records, and just identify 1 or 2 records or a whole bunch of records. You can do it that way as well. Do you want to just identify 2, see if they'll pull over, that won't mess up to the database? Okay, great. Okay. We're doing this on the fly, and it's fun this way. All right. We've identified a couple of records that we want to pull over, so Sally is going to click okay, and we get the little message that tells us that 2 records were accepted, that's always good. Say okay. And now we have the import edit report. Every time you do an import you get an import edit report, and it lets you know how many records came over, and if there were any errors at all on any of the records that you pulled over so that you could investigate those. And then after that I'm going to ask Sally to switch back to the slides and we'll show you one of those records, what that record actually looks like, once you've imported the ISIR over. As you can see, all the information except for the loan amount approved has been completed. All you need to supply now is the loan amount approved. The record will be ready for origination, and then you can transmit to COD. One other thing I'll point out here is that the record source is identified as I. When we did the records manually, the record source was M for Manual, you'll see I for ISIR import, or when we demonstrate E for External add. It lets you know how those records were created. In this case, the disbursement tab is not enabled because we don't have a loan amount, but as soon as you enter the loan amount, originate the record, you'll have your disbursement profile code which will represent your anticipated disbursements.

The next thing I want to demonstrate really quickly is doing an origination record external import. There were a couple of you that identified that you have a main frame system that you're going to use in combination with EDExpress, and this is a really quick way to make origination records from your main frame system. You import an external add file into EDExpress, we provide the record layout information that you need in our technical reference, and it will explain exactly what elements you need in order to create those records. When you import them into EDExpress, the records are ready to go. They are originated and ready to export and send to COD. So that's a really great way to create your origination records in the most efficient way. Many schools will use this process because EDExpress converts that information into XML, which is how COD needs to receive the files, so lots of schools use that in combination, so that they have like an XML translator, in essence. Go ahead and go back into the software really quickly, the files are there. Okay. We'll just do a really quick demonstration because it's so fast, on how you import an external add file.

[SALLY:] Okay. I can click on file import or I can use the icons for the import, and you're on the Direct Loan tab again, and then for the import type you choose loan data external add. And then you choose the file that you created using the COD Track Record layout, and in this case it's right here, click open, click to the screen for my report, and then I'm going to click okay. It tells me that the import is complete, and then I get an import edit report, and this will also tell you if there are any errors in your file, and it will tell you exactly which field is incorrect and the data that's incorrect, so that if that record did not import, you can go back and correct your file and then reimport it later. And one other thing that I wanted to point out, when you print these to the screen, if you do want a paper copy of this report, there is a print button, so you can go ahead and print to the printer if you choose to do that. I'm going to click close. And then I'm going to open up one of the student records when I know which one that was. I thought I had a note here telling me which one was in this file. Okay, I do. Click okay. And then I'll go to the demo tab, and then I'm going to click on the origination tab.

A couple of differences with the external add is, if everything is correct on your record, it automatically originates that record, so it's ready to send to COD, so the origination status is R, it already has a loan amount approved, it already has your anticipated disbursements, so it is ready to go, and the record source is easy, you can tell for sure. One other thing that Jody pointed out earlier are these toggles up here, to go from one loan to the other. This file happened to have 2 loans for this student, the subsidized and the unsubsidized, and that's another thing. You can put all of your loan types into one file, you don't have to do that separately like you do with ISIRs. So, to toggle between them, you just go back and forth.

[SEARS:] Okay. The next step is to create disbursement records. I'll have Bob describe the steps to create disbursement records.

[MARTIN:] How many of those people that raised their hands when we asked you if you processed Pell have ever called that 800 number and talked to Paula about Pell problems? Okay. Paula, stand up. This is Paula sitting down here in the front row. If you need help and you talk to Paula you're getting one of the best.

Okay. Do we have a loan yet? We have an MPN, we have an LOR, what are we missing? A disbursement. Because there is no loan until we have a disbursement. And one of the things you may have noticed or already know, that until you have an origination, the disbursement tab down at the bottom is grayed, it's disabled, you can't get in there. As soon as you originated that loan record, it enabled the disbursement tab, and so what it did is it performed a calculation. It calculated out the origination fee, calculated back in the rebate, and then it showed you net to student. The other item that you had to provide was the loan amount of proof, and Jody talked about that earlier. So we'll show that up here on the slide. Now, so remember that by using the disbursement profile codes, all we're doing is we're putting place holders in there. We're saying I anticipate disbursing this amount of money on this date. I can now go in and I can change those dates, I can change those amounts. But as you get good at this, you won't have to do that. You'll know the dates that you're going to disburse, you'll know that these amounts are good, so to turn this anticipated disbursement into an actual disbursement, all I have to do is check that box that's circled there. That's the disbursement release indicator. As soon as I do that, you'll notice that the status over there changed to R, which means ready to send to COD. When I do an export function, Express will go into the database and it will take a look and find everything that's in an R status, ready to send, and it will pick it up, put it into a common record, and export it. Now remember, for the new people, getting something to COD is a 2-step process. You have to export out of EDExpress, but then you have to transmit it over an SAIG, and you use a product probably called EDconnect to do that, that's another product we provide to you, but that's how you do actual disbursements.

Now you can do this using multiple entry, if you have nothing to change. You can go in and select several of these to do at once, save you some time. Or you can bring some information in from your school system and make those changes as well, make the disbursements that way. So, we've done that. The other thing you'll find yourself doing is making adjustments. Now, here's one of the critical differences between Direct Loans and Pell. With Pell if you're going to change the award you just send us the replacement amount. With Direct Loans, remember that we're calculating interest, and interest accrues from the date of disbursement, and the regulations say the date of disbursement is the date you make that money available to the borrower, either by applying it to their school account, cutting them a check, giving them cash, however you do it, slipping them an envelope, I don't know, but the date you make that money, you can't do any, like, say today is my date of disbursement, but I'm not going to give that money to the kid until Monday, you can't do that. The date you make that available. You can change that date, if later you discover that you've incorrectly had the wrong date in there, and remember since there is interest accruing, if you've miscalculated the date, then make sure you change it to the correct date so that a borrower doesn't get dinged when they shouldn't be getting dinged for interest. And you can do all of that, adjusting records either through manual entry one at a time, you can do an external change import as Sally just mentioned, or we can do multiple entry. So let me show you how you do a manual adjustment here. This is the disbursement screen, and we've broken it off here so you can make it larger, but you'll see that this is disbursement #1, that's the original disbursement that we did. You'll see that we sent it off to COD, COD processed it, they accepted it, that's the first disbursement acceptance, that loan has been booked. And later on, over here, if you were to slide over there, you would see something called booking status, because we do send you a booking notification to tell you that that loan is booked. But now we want to adjust that amount. So we come down here and we select disbursement number 1 again. What we're doing is we're doing a net adjustment, and you'll see that it plugs in right below disbursement number 1 as an adjustment, but here is where it's critical is the sequence number. This is sequence 2. So you could have 3 or 4 or 5 changes to disbursement number 1 if you needed it for some reason. If you do, you probably want to reassess your processing, but this is how it will show up, so what you're doing is you're building a little bit of a paper trail here. Then you'll see that the status for that adjustment is now R, which means it's ready to send. We have to send it to COD, let them process it, they'll accept it. Now, by making that adjustment what have we done here? Originally we had net amount to the borrower of $5700. Now, though, it's down to $3000, so we have a negative $2700. What does that negative $2700 represent? It represents what we call potential excess cash. Now, you can draw out a million dollars, and as long as you send us a million dollars worth of disbursement records I don't care who you give it to, as long as they're eligible borrowers. It's not student specific. But if you do an adjustment like this, now you're sitting on $2700 and you have to account for it at some point. So, give it to the next eligible borrower that walks into your office and needs a disbursement. As long as you account for that $2700, you have to do it within, I think the regs say 30 days, and if you can't disburse it then you have to return it. But anyway, that's how you do an adjustment, and that's a little bit different from Pell. You can do the adjustment multiply. We're going to show you how to do a multiple entry, but we're not going to do an adjustment, because it takes several steps, and we want to try to save some time. Sally, show us how to do a multiple entry.

[SALLY:] Okay, what I'm going to actually show you, there are several different things that you can use multiple entry for, and the one thing that I am going to go ahead and show you is to fill in that interest loan counseling date that Jody talked about on the demo screen, and you can do that by going to process, multiple entry, and Direct Loan. So, say at the beginning of the semester you had a session with several freshmen and you actually did your entrance counseling that way rather than having them go online or something like that, and so you have several freshmen that you need to fill in the entrance counseling for, so you just go to the Direct Loan multiple entry, you choose loan entrance interview date, you can enter the date that you did the entrance counseling, and I put in 08/01/2009, you don't have to put in the dashes, and as I put it on this screen, and then choose screen for my report destination, you can choose specific records or you can just bring up all your records. I'm going to go ahead and bring up all my records. And this brings up the list of loans that I have in the software. So, in this case, I look at them and I say, oh, Amy Acorn, I actually did hers on 08/02/2009, so I'll go ahead and change it on this screen. All the rest of them that brought in the 08/01/2009 from that first screen that I had. And then, as I look at them I'll say, Papra Holdings actually didn't do entrance loan counseling, so I can deselect her so that it does not get updated. And then once I see that everything is correct for the rest of them, then I can click on save. It asks me if I want to save the changes and I say yes, and it asks me if I'm really sure, and I say yes, and then it goes away and updates them right away. If there are any edits it will tell me that it cannot update that record, and in this case you probably might want to print this off just so you can see, because I did have some edits. It evidently didn't like the date of birth on my records. So I'm going to go ahead and click on close. I'll go ahead and open up one of these records and show you that it filled in the loan entrance interview date with 08/01/2009, so there are several different ways that this date can be filled out, and you can use multiple entry for adjusting disbursement records and several other processes to update a lot of records at one time.

[MARTIN:] Don't forget, after you've done all that, send it, export it, and transmit it. You can combine Pell, Direct Loan, TEACH, ACG, SMART, all of that goes in the same common record if you want, or you can do it separately. Okay, slide 37 over there. As Monty Python would say, brilliant, but now don't forget to send to COD. That's where most schools get tripped up, is they do all the work, but they forget to send it, and so until you send it and we can process it, we still think you're sitting on a bunch of cash. Whenever I go to a school and they're off balance, that's the first thing I have them do, is look and see what they haven't sent, and generally that allows them to stay in sync.

The next slide I want to talk to you about is just a little visual representation of the process. It's a cycle. If you'll start at red, you'd work yourself around, and then repeat yourself. Now this is something that you'll have to work out processing at your school. I know a lot of larger schools will only send Pell records, say, on Monday, because that way they know that any responses they get back on Tuesday are all what? Pell records. So you could work that out maybe for yourself for Direct Loans, if you just want to deal with Direct Loan records on, say, Wednesday so that you know that the responses coming back from COD on Thursday are nothing but Direct Loan records, you could break it down that way. You'll work it out. I'm going to tell you about the Direct Loan coalition web site. These are schools that have been doing this. They've used every system in the book. There is a mentor list on there, don't try to reinvent the wheel for yourself. If you're new at this, get hold of somebody on that list. They have their phone numbers and their names and their e-mail addresses. Tell them what you're trying to do and ask them for help and they'd love to help you, because otherwise they would not have listed their names there. Okay, I'm going to stop now, and Jody will come back up and she's going to talk to you about some other COD processes.

[SEARS:] All right. Well, you've transmitted your records to COD and you've exported them and they're being processed at COD, and COD puts those records back in your mail box, your TG number, and it's time for you to use your EDconnect to pull those records into your database. So the next step would be to import the acknowledgements that you've received into EDExpress, and when COD processes those records, they return the records and documents with message classes that give you an idea of what's contained inside that document. Obviously, the first one is common record CRAA, and common records can all be disbursement and originations of any one of the programs, Pell, Direct Loan, TEACH, SMART, ACG, they can all be in the same common record. An important note about that is when you import a common record in EDExpress, you can be in the Direct Loan module or the Pell module or the TEACH module, regardless of what types of common records are in that common record document, and be able to import it, and all the records will be updated appropriately. But some of the other message classes, such as the booking notifications, CRBN, or the MPN responses, you can see that the message class will give you a clue of what's contained in that particular document.

I'm just going to walk through the slides, because the steps to do an import in EDExpress are very, very basic, so I think we can do this through the slides. When you open up EDExpress, you click on the import icon, and the import dialogue box comes up, and in this case we have just highlighted the Direct Loan module because that's the one we're talking about, but again you could import this into any one of the modules, and you'll select the import type. In this case we know that we received back CRAA records, so we're going to import the COD common record as the import type we're going to select. We click the file button. The next box that comes up allows you to pick the document that you're going to import. You select screen for the output, and then you click okay, and what you'll see next is the import edit report. Remember, I said every import you do is always going to give you an import edit report. It will list who was accepted or rejected in your document, and give you that kind of information, and it will give you statistics at the end of the import edit report, so you know how many were accepted or not. The next thing, when you do the import process, it updates the records that were contained in the document, and I just wanted to show you 2 quick screen shots that show you how those updates work. For instance, in the first top box, that's the loan origination information. We've got circled the loan origination status is now A. When you had batched it up and exported it to COD in the first place, that changed from the ready status to the batch status, and now that we've got it back it's changed to the accepted status. The same is true for the MPN status. Also, we've got another screen shot of the disbursements, and now you can see that the disbursement is also accepted.

At this point we have a loan, or we have a booked loan, because we have an accepted origination record, we have an accepted disbursement record, and obviously we had to have an accepted MPN status. In that case, the responsibility of that loan is now transferred to the student. COD is also going to send you a booking notification acknowledgement as well, and it's important because it will tell EDExpress what records have been booked, and when they were booked. Obviously, that's going to be important when you do reconciliation. In this case, the import steps that we just talked about are exactly the same, except that you would identify the import type as a CRBN instead of CRAA, and then you do all the same booking notification steps, or import. We're going to click okay, and again we'll see our import edit report, and this one again lists all the loan IDs that show a booked status, and then you can look and see how it's update the loan records that were included in that booking notification, and we've opened up one record to show you that the booking status shows A and the booked date is updated as well. What's important here is this will now work with some of the EDExpress reports that we have, because you're going to always have to account for the money you've drawn down and the money you've sent in as disbursements, and the booking notification having these fields filled in will allow you to print various reports within EDExpress that will help you know what loans are booked, which ones aren't, and where you need to continue to work on your reconciliation between what's at COD and what's in EDExpress. And with that, I'm going to turn the mike back over to Bob so he can talk about some of the reports.

[MARTIN:] Now remember, once the loan is booked, it shifts over to the servicing end of our process, and we begin a dialogue with your borrowers. So we start talking to them about deferments, how to get in touch if they have a question about their loans, where their loan is. You know we have 4 new servicers now, we're with Direct Loans, we used to only have one, so we have what's called a loan distribution engine now that's going to push those loans out to the 4 different servicers, and we're going to build something into the responses that you're getting back from COD to show you where those loans are, who has it, which servicer has it. You'll see that sometime down the road. Somebody asked me earlier about Perkins, Direct Perkins? We're going to build Direct Perkins as a loan type into the Direct Loan module at some point. We're going to try to do it in release 3 this year in June or July, but it looks like now we may have to push that to 2011-12, that's the latest news I've heard. Also, once the loan is booked, we then copy that loan over to servicing, but COD still has that loan because you'll have subsequent disbursements, so the same process holds true. You'll come in with the 2nd disbursement, the disbursement itself will book, and then we'll tell servicing about that 2nd disbursement, so COD and servicing both have copies of that loan. Once it's fully disbursed, then if it's a PLUS loan of course 60 days later they'll go in to reframe it, but servicing will be talking to the parent.

I want to talk to you about some of the reports that EDExpress does. For those of you who are new to EDExpress, it's based on a Microsoft Access database. You don't have to have Access loaded on your PC, it's embedded in the software, and everything you do to that software from the time you start putting in setup information to inputting ISIRs, creating loan records, creating Pell awards, TEACH awards, all of that is going into a single file. For 2009-10 it would be Express90.MDB. Everything you've done is in that one file. For the 2010-11 product it will be Express01.MDB. So if you're doing backup, and we recommend you do that, all you need to do is back up that one file, because you can always download the executable files off the download site. We could run reports and we could run reports, some are canned reports, we have a query function in the software so you can go in and actually look for things. I usually tell this earlier, but let me back up a little bit. Let's say that on Fridays you go into the software and you need to see how much money you need to request from G5, and by the way somebody in the general session yesterday was concerned about whether the Direct Loan money would be there. As soon as G5 knows your DUNS number, your federal bank account, and we tell it you're approved to participate in Direct Loans, you'll go in and get your Direct Loan money just like you go in and get your Pell money now, you'll just select a different award. How fast is that working for you? Who does Pell? Who downloads Pell money? How fast does that happen for you? Pretty fast? Okay. It will be the same with Direct Loan. So the money is there. So if anybody is concerned about that, don't be worried about it. This is going to work so well and so smoothly for you once you get into it, you're going to be amazed. I had a huge school in the midwest tell me the other day, I can't believe we waited so long to do this, it's so easy. It is easy once you understand those 8 steps I was telling you about. Some of the reports that you can pull are like List Loans. But let's say you want to determine how much I need to go to G5 for, for Monday's disbursement, or next week's disbursement. You can go into EDExpress, you can go into the query function, and you can say show me a list of all the loans where there are anticipated disbursement dates of Monday, December 6th, through Friday, December 11th. And it will show you a list and it will add it all up for you, and you can take that amount and give it to your bursar's office and say here, download that amount of money, that's what I need to disburse next week.

EDExpress is designed to be streamlined. A kid could come into your office today, if he's already done an MPN you could generate an LOR, you could mark T for MPN exists, and then you could go into disbursement and you could disburse money to him while he's sitting at your desk. That's the beauty of Direct Loans. You control the process, no one else does. If somebody asked you for a list of loans, in your database you can pull that list, and there's a sample of what it would look like. The anticipated disbursement list that I just described to you on the next screen, that's how you would get it, and you could get it in different forms. It could be just anticipated disbursements which would give you all of them in there, or you could narrow it down or filter it a little bit, and say give me a list of anticipated disbursements where I already have an actual disbursement. And you can play with it like that. Those are lists you're pulling out of your own database. That's what the anticipated disbursement list looks like.

Let's go to 52. The COD send you a bunch of reports. And I want to take a few minutes to talk to you about some of these reports because they're very critical. Remember, the goal here is to stay in sync with COD. Whatever we say you've drawn down, we want to see disbursement records coming in that are balancing that out. You're never going to be totally reconciled at any one time, just because of timing issues. The trick is knowing why you're not reconciling at the end of the month. If I drew down a million dollars today, and tonight COD runs a 30-day warning report or a SAS, School Account Statement, telling me everything I did for the previous 30 days, it's not going to reflect that million dollars I just drew down, so you'll be off a million dollars. As long as you know why you're off, and you'll know that that will reconcile the following month, then you're fine. If you get to a point where you've got a bunch of discrepancies between what we're telling you that you drew down and what you say you drew down, it's not lining up, then you need to be calling for help. Don't wait until you get way out of whack. We won't let you. We've built some breaks into the COD system that if you start getting too far out of whack, we'll put the brakes on for you. Somebody will be calling you, and saying guess who this is? Guess what I want? But it's not punitive, it's for assistance, it's helpful. Some of the COD reports, the 30-day warning report. This is a good one. It's an optional report. We want you to work it. But what it does, it's a snapshot of everything you've done in the previous 30 days, and we tell you, you know what? Last month you sent us this loan record, but you've done nothing with it. We haven't gotten a disbursement record from you. It may be that you've decided not to disburse on some of these loans because the kid didn't show up, he flunked out, he even went 2 days and called mom and said come and get me, I'm coming home, any number of reasons you may not be disbursing on that loan, and that's fine. This is just a report to help remind you to take a look at these loans and see if maybe I forgot to enter the disbursement record and send it in to COD. We used to allow you to send in a loan origination record before an MPN was on file, and then we would hold the LOR until the MPN came through. We don't do that anymore. We now require the MPN to be there first, before you send the LOR in.

Funded disbursement reports. COD will send you, and I think this is for push cash schools only, I hope you're familiar with the funding methods, we have push cash, we have advance pay. Advance pay means you draw the money down first, and then tell us what you did with it. A push cash means you send us the disbursement record first, and once we accept it we'll push that money into your federal account. Some schools prefer one method over another. There is a rumor going around that we're going to drop down to a single funding method. I haven't seen that firmed up yet, but I anticipate that that's coming. It's either going to be all advance pay or all push cash. If you ask somebody about that, don't use my name and that question in the same sentence. Okay?

We're about out of time. I want to show you the external export. Well, let me just tell you that if you are a school that has a school system and you want to use EDExpress, you can use them in tandem, we have technical references to show you how, you can build file formats and EDExpress to move data out of Express into your school system. All of that help is there for you. Visit the PC lab, go to session 13, the hands-on session, I'll be in there later today and you can ask any questions of any of us in there that you want. There is some training out there for you. There is computer-based training on IFAP. Go to IFAP and then look for Tools for Schools and you'll find that there. And of course the 800 number I gave you, that's CPS SAIG technical support desk and they're great help, and I hope you get to know them well.

Thank you for attending. Thanks for the 12 of you that remained. I hope the others are in line getting food for y'all. I hope to see some of you in the other sessions, and feel free to come up and ask us any questions that you might have.