Valerie:	In this session today the first thing we're going to do is tell you about some of the new things that we've done over the year, starting with my data download button. We're going to talk about the changes made to NSLDS for Pell LEU. We're going to talk about enrollment reporting, which has some upcoming deadline dates that we hope that you're all ready for. I'm going to touch on some of the data integrity issues we've had with our debt management collection system.

We're going to talk about some of the new federal loan servicers now reporting to NSLDS. Erica's going to touch on changes to our aggregate calculations and some of the things that have happened over the years. We're going to look at other recent changes made on NSLDS and talk about things that will be coming up. I'd also like to remind you that if you need any 101 help with any NSLDS issues while you're here, we are up in the Resource Room Bayhill 30 and we encourage you to come see us.

We also have a hands-on session that's geared for beginners. We hope that you will come to the NSLDS hands on session. I'm going to highlight for you about our new button: my student data download that can be found on NSLDS.ed.gov for students. The Department of Education joins other federal agencies like the VA and Medicare in offering our customers the ability to download the data that we have on them. The "my data download" button allows students to download their loan and grant overpayment history data directly from the screen that they are viewing it from.

Again, it's available on the student web site. The data they're downloading comes out in only a text version. We've offered the file layouts that were posted on August 16 on our file layouts section of IFAP. These file layouts were designed so that we could have vendors build applications to make the data a little bit more friendly to read. But when they download the data directly from NSLDS they're getting straight text data of all the information that we have from the student web site.

This is what the button looks like. And you will find that this blue button is the same button used by VA and used by Medicare. It will be used by other federal agencies and additional sites at the Department of Education. But from our use of the button all the information the student aid history page and on the grant page and overpayment information will be downloaded in a text version for the student to see. We have some 200,000 per week that come into NSLDS.

They're not really sure about this button. Our average weekly use of the blue button at this point is about 18,000 students per week downloading the data. But we encourage you to encourage your students to use the data to help manage their student loan debt. Once the student is ready to download their data we ask them confirm because what's going to happen is that data is going to pop up right on the computer they're sitting at. So if they're sitting at the library or in a public space they need to know that all of their loan data is getting ready to pop up.

So we just ask the student to confirm. And when they confirm they're going to get this text version of their data. And this data includes everything about their loans, their loan holders, their balances. We include the Pell lifetime eligibility and the information about the Pell Grants and what schools they intended. We include any information about overpayments. All of this information is available to the student simply by pressing "my data download."

Another big change for NSLDS this year was the information about lifetime eligibility changes based on the December 23rd new law. Pell LEU changes were reported to NSLDS in 2012 for the 2012/2013 year. And of course that was based on reducing the eligibility from 18 semesters or 900 percent as seen on NSLDS to 12 semesters or 600 percent. You're sometimes going to find that NSLDS doesn't have all of the information that COD has, or sometimes COD has something different than NSLDS.

I like to encourage you to understand that COD is the source of Pell and the source of the accurate information on Pell. There is complete history of a student's Pell history. So Pell is the source. The conflicts are often created on NSLDS because of identifier changes or the fact that we didn't have a Pell Grant when we did the onetime update of all the lifetime eligibility changes. Back in July of 2012 Pell did a onetime dump on NSLDS to all of the changes in the lifetime eligibility.

This included all grants that went back from 1974 to present date – to July of 2012. If we didn't have a Pell Grant on NSLDS for that student, especially since NSLDS didn't start receiving Pell Grants until 1995. So any Pell Grant that was disbursed between 1974 and 1995 and the student hadn't received anything recent after 1995, those Pell LEU's were not updated on NSLDS and can only be found on COD. So it's important that anytime you see a conflict between COD and NSLDS to understand that COD is the correct source for that information.

We have some upcoming changes. The first big change for us is that we're now going to have icons on NSLDS that will give you warnings about whether or not a student is close to their Pell lifetime eligibility limit or they've met or exceeded. And we're also going to only make sure that students who are Pell eligible are considered for the pre-screening and post-screening process. NSLDS will also start sending the LEU percentage changes to CPS so that you can see them on the ICER and students will be able to have that information on their SARS.

Our big change is enrollment reporting. And enrollment reporting is so very important to the department. Proper enrollment reporting is the key to proper servicing for students in making sure that we protect their rights, their loan rights. It's also helpful for the Department of Education in analyzing and budgeting and forecasting for students entering repayment for inter-subsidies. So enrollment is one of the most important aspects of NSLDS and in our data collection process.

We're very excited about the enhancements that we've made that will be enforced in March of 2013. Last year at the conference I told you about those changes. In the spring of this year we published our newsletter and we published a "Dear Colleague" letter. We have several communications issues about the upcoming changes.

But our new enrollment reporting process is just meant to assist schools in providing us with this very important data. You're going to find that we've made enhancements to our badge and online processing. We've given you more tools to manage how your schools report their data to NSLDS. And we've added some new fields to our in-reporting process.

We've had a number of focus groups over the last couple of years. We've had a number of phone calls with community. We've gotten input from several of our community members on what to do with NSLDS. What we've done is we've enhanced our web flat file format. We've added a few new fields. We are offering a common separated value (CSV) file format.

And that's simple a file format that allows you to report data by simply putting a comma in between each field. And you're going to find that's going to be helpful when I talk to you about using our spreadsheet for reporting. And we're also, at last, offering XML. This has been requested by several schools. That is not available

to any school that chooses to use one of our new formats. These formats became available in April of 2012. You can find the file layouts for these formats on IFAP.

Some of our really nice enrollment enhancements are the spreadsheet upload. And what this spreadsheet upload process is going to do for us is it's going to replace the 32-bit SSER software that is now used. We are encouraging our schools to request their enrollment roster in the CSV format. They will be able to use that format to download their rosters from SAIG and upload their updates directly into NSLDS using our new spreadsheet. We're also offering online updates. We've enhanced and added the new fields. So you're going to find that a little bit easier to use.

Creating the spreadsheet - The enrollment spreadsheet instructions are included in our recently published enrollment guide that was published just on November 20th. You can use the instructions in that guide to build your spreadsheet. You can create your spreadsheet just using a CSV batch file. You will be able to use any spreadsheet software, shareware through XML. And the file layout is tailored to include instructions on how it'll handle the dates, the numbers, and the text.

We've made it pretty simple for you to use. Once you've created your spreadsheet using CVS or using a spreadsheet you will be able to browse directly from your computer or your shared drive or anywhere you've put your protected data. And you will be able to pull up that data directly into NSLDS. We give you lots of choices – or a few choices – on how you can view your data. You will have the option of choosing how you want the results files to look after you submit.

You will be able to even choose your background color to make it easier for you to read. And we have mouse-over. We're going to feed the errors directly back to you so that you can mouse-over that error and you can see exactly what caused that file to be incorrect. We offer you two options. You can either validate your data before you submit it; and if you validate it what will happen is that you're going to see all of your errors. Or you can simply submit and validate at the same time.

We will load all of the good data and then we will show you on that spreadsheet, using the options you chose, about the errors that you're going to see. Any error can be corrected directly on that spreadsheet. And that spreadsheet can be updated again even the successful records. It won't impact the successful records you've

already loaded. So you can just keep working that spreadsheet until you've corrected all of your errors. The most important thing is that the schools must transition to one of our new formats by March 31st, 2013. You will be able to indicate your choice on the profile page that I'm going to go over in a few minutes.

If you don't tell us which format that you want we're going to default it to the fixed width format, standard format for reporting. Again, our deadline date is March 31st and we encourage you to go out as early as possible, take a look, and do your planning. We also wanted to tell you about our new enrollment profiling page. This is the page that you're going to use to tell us the format that you want. You're going to go on NSLDS to the enrollment tab at the top. You're going to go to enrollment reporting schedule.

And then you're going to go to enrollment reporting profile. And on this profile page you're going to have the ability to tell us the format that you want your new report to come in. We have the ability for you to do other things like view a report that we've created that tells you about how many updates you've given NSLDS on enrollment in the last quarter. And if you are a Perkins school you will have the opportunity to request enrollment reporting information about your students who have left your institution but might be in deferment at other schools.

You will be able to receive a notification file from NSLDS of your students who have transferred or are in other schools just like a lender or servicer would receive. Perkins schools who service their own portfolio can receive enrollment information about their students from NSLDS with these new features. This is a look at the profile page. And with this profile page you'll be able to tell us where you want the enrollment rosters to be sent to by giving us a TG mailbox number.

You'll also be able to tell us how you want to organize your data. If you're a school that is servicing for multiple locations, meaning that you're the main campus and you have additional locations that you're doing enrollment reporting for, you'll be able to tell us how you want your data grouped. You'll be able to tell us how you want the data sorted on your enrollment roster with this portfolio option. Again, we're offering you the ability now to use NSLDS for all of your locations and to have one administrator.

So you can name an administrator on the profile page. If you're a campus that has multiple locations, and you'd like to group your enrollment rosters together by locations, you can use this profile

page to set up your locations. And what you would do is you would go into each one of the locations and you would tell us which campus you want to be the administrator for your enrollment rosters. And what that would look like is this tells you for this school, FSA NSLDS college, that they have three administrators at their 00-05 and 10 branches. They're rosters for those schools will be grouped together.

You can choose to have those as one big blended roster or you can have each school separated in the file that you receive from NSLDS. We give all of these choices to you. We also have a new feature that we wanted to make it easy for you to tell us about where a student is attending as far as the location. As you know now you have to report on COD the actual physical location of students and where they're attending school. That's the enrollment location. And that's the code that we use on NSLDS.

Anytime that you want to tell us about a change in location of the student you simply have – What this is demonstrating is: the first row is demonstrating that when it was initially reported to NSLDS the student was located at Branch 00. A couple of months later he changes to Branch 02. And all you have to do is tell us you're certifying his enrollment and now he's located at Branch 02. We're giving schools the ability to make requests for ad hoc reports. This is anytime you just want to do an updated enrollment roster and you have a reason that you want to do it.

You would tell us the purpose, which is an optional field. But it appears on NSLDS. For example you might want to do your recent graduation students. You would say you're requesting an ad hoc roster to report graduates for this semester. We would instantly create that ad hoc roster based on what your request is and that would appear on the schedule rosters as soon as you request it. We want to remind you that that enrollment code that you report through COD (COD enrollment school code) is the code that NSLDS uses to build our enrollment rosters.

Every time there is a disbursement you are reporting that enrollment code and that's what we use to tell us what roster to put students on. We don't have any edits on that field so we need you to be really careful about putting in your school code about where the student is attending to make sure that we can properly put the student on a roster. And you can verify that student's enrollment so that there is no impact to their servicing. Just be very careful with the COD enrollment code.

Now if you are a school who decides to use the NSLDS online updating for all of your rosters (and there are about 1,800 schools that use NSLDS online for updating all of their enrollment rosters) we've added a couple of new features. You're going to see the little house there. That's an address icon. It's not a required field but we encourage schools that if you have information about address changes on students that you use the little house to go and tell us about where the students are, their address.

It's very helpful to servicers and other schools if that information is as current as possible. We also added the term date, which are new fields that we're collecting in a batch file. And we have the new field of credential level. The credential level is only required when students are graduating. We want you to report a G for graduation. And we want you to tell us about their credential level. I want to remind everybody that we added last year under the aid tab the address history. This allows you to look at all of the address information we have on that student.

Also, again, if you check the little house and you go to the house page you're going to have the ability to add address information on your students. We also have on this page the address information that comes from the student web site. And we encourage you to encourage your students to update their addresses on NSLDS. So if the student is on the student web site they can add their address under their little tab for address information. And you're going to find the student's address when it says source. It says student in source for a student. Otherwise it'll have a school code or a lender code there.

But that's the information that will tell you that address came from the student, under source. We find that the address information is a good place for anybody trying to do due diligence in collecting and contacting students or doing default prevention. This address information is so important that we're coming up with a new demographic report so that you can request information about where your students are located. And that will be a report coming out later this next year. Thank you.

If you know that you've given us an address and you've updated it and it's good we ask that you check the good box. We have that box there because our federal loan services report addresses to us, and as long as they've not had returned mail that good check is always there. But if they do have return mail you'll find that check unchecked because for some reason they've had return mail and

they don't feel that that address is good. That's what it means by good when you see it on the web site.

Again we are excited about our new enrollment reporting process. We encourage you to go out and read our newsletter number 30 and number 40. We encourage you to look at the enrollment reporting guide. I want you to look forward to a webinar that we're putting together about enrollment in January. And we also want to make sure you know that the March 31st cutover is a real date and we're moving forward with it.

One of the issues we have struggled with and we know that many of you have struggled with is our debt collections management system reporting to NSLDS. For over a year DMCS did not report to NSLDS so we had many students who had paid off their defaulted loans that weren't appearing to be paid off on NSLDS. We had to work each of those cases individually. We encourage you to call our debt resolution group. When a student had a paid in full loan they could call the DRG 1-800 number and they would give the student a payoff letter so that aid could be awarded.

We also worked in our customer service area as much as we could with the many, many calls we had about data when students had been successful in paying off their defaulted loans and it wasn't reflected on NSLDS. We are excited that DMCS has reported to NSLDS. On November 3rd we updated NSLDS with a full feed from NSLDS. It wasn't perfect but it gave us better data.

So anytime you have a conflict with a student who says, "I have paid off that defaulted loan," or "I've made my six consecutive payments to regain my eligibility, but it's not reflected on NSLDS," we encourage you to contact our debt resolution group directly or have the student do it. Or you may call our NSLDS customer service number and we will work on that conflict for you. Now Eric is going to come and talk about our new federal services.

Eric: Before we talk about our new federal services I want to talk a little bit about federal loan servicing in general. A few of the comments that we've heard over the course of the day yesterday has kind of led us to believe that there might be a little misunderstanding about what is a federally serviced loan and what is a commercially serviced loan? To recap what we consider to be a federally serviced loan, those are, of course, all direct loans as well as any Fell loans that department purchased.

We consider commercially serviced loans to be loans that are currently serviced by a lender, a lender servicer, or a guarantor if the loan is in a collection status at the guarantor. It's important to understand, from an NSLDS perspective, we collect different data dependent upon whether or not the loan is federally serviced or commercially serviced. Things like delinquency, repayment play, some of those additional servicing items are only reported to NSLDS by the federal loan servicers and are not reported to NSLDS from the commercial servicers.

So if you're looking for delinquency data on a commercially serviced loan today you're not going to find that on NSLDS. You will, however, see delinquency data if it's applicable on a federally serviced loan. And the way that you can tell whether or not a loan is federally serviced or if it's commercially services is when you look on the loan history page or the loan detail page on NSLDS the holder of the loan, the first part of the name, will be Department of Education/Nelnet, Great Lakes, MOHILA, whomever the actual servicer may be.

If the holder of the loan does not have Department of Education in the title then it's safe to assume it's a commercially serviced loan. We just kind of wanted to provide some clarification around that. There were some questions in some of the other sessions and it sounded like there may be just a little bit of misunderstanding. We'll work to make sure that that is clearer in our documentation over the course of the next couple of months.

But if you have any questions about how to tell those differences, please come up and talk to us afterwards or check out our customer service center over in the Bayhill rooms. We have a whole staff there that's eager to talk to you guys. Since October 1st, 2011 NSLDS has brought on nine new federal loan servicers. That's a lot. We do a full testing life cycle with each of those federal loan servicers. This has been quite a chunk of work.

Today, between these nine federal loan servicers, the direct loan servicing system, and our other four Title IV additional servicers we are currently (at the end of October) servicing 107,000,000 non-defaulted loans for 26,000,000 borrowers. Ninety-six percent of new loans that were created in the last 90 days were created on the NSLDS system within 14 days of being first disbursed. Sixty percent of the loans were created within 7 days of being first disbursed.

I think that's a good indication that we are receiving extremely timely data on NSLDS – not real time but we're very proud of that statistic and proud of our servicers. Also, we've received balance updates on 98 percent of the federal portfolio within the last 90 days as well. We are seeing an uptick in the timeliness and the accuracy of the data. All of the federal loan servicers are required to report weekly. Often if there's some special stuff going on you'll see that they're reporting more frequently than once a week – if they need to get caught up on a piece of specific data on a group of loans.

But they are required no less frequently than weekly. We are seeing a lot of those updates come in. From our commercially serviced loans the guarantors report anywhere between weekly and monthly. Federal loan servicers are required to report weekly. Guarantors are required to report weekly by weekly or monthly. Each guarantor is on its own schedule. In addition to the nine new not for profit servicers that we brought up in the last year we also have five more servicers that we'll be working with over the course of the next year – a few more to come.

Keep an eye out on IFAP. Every time we bring up a new servicer we do make an announcement with those new codes to indicate that that new servicer is live and reporting to NSL. And of course you'll begin to see these new servicing codes appear both on the web site as well as in your reports and pushed out on the ICER or the SAR if there's a pre-screening/post-screening of a borrower that'll have the loan at one of these servicers.

Back in August NSLDS made some updates to the aggregate calculations that we hoped as for the better. We recognize that back when Hero was implemented the Department stopped making Direct PLUS consolidation loans. PLUS loans are now consolidated into unsub-consolidation loans. We finally realized that we needed to make some adjustments to the aggregate calculations to better account for that ratio of where an underlying loan might be attributed to PLUS as opposed to an actual unsub underlying loan.

We made some changes back in August to better account for that. We published an electronic announcement on August 13th. Hopefully now you're seeing that we are better attributing the underlying portion of Direct unsub loan where that underlying loan is a PLUS, whether it's graduate or a parent PLUS. Hopefully you're seeing some improvements there. In a few minutes we're

going to talk about some other improvements that we know we need to make on the aggregate calcs.

We also had some other recent changes. You may or may not have noticed some of these changes yet. Just in the past month we have updated the loan record detail report that accompanies the cohort default rate distribution. And there's much more information about these changes in the three year CDR session and from the default management group in the Bayhill rooms as well. But one of the things we want to specifically talk about is that we added a new code for the federal loan servicer or the guarantor that held the loan at the time that the CDR calculation was made.

What we found over the course of the last year or so is that when schools were making challenges or an appeal to their rates you were, of course, utilizing the GA code of the federal loan servicer code in the loan record detail report. Then that's where we directed your appeal to. However, what we were finding is that loans had transferred to another servicer since that code might have been active. We identified the code based on who was the holder of the loan when the loan went into repayment on the traditional code.

So now we're going to add a new field. We added it to the filler space in the loan record detail report that identifies the holder of the loan at the time that the cohort default rate calculation happened. The one exception to this is if the loan is held by DMCS on the calculation date. If that's the case we will tell you about who the holder was prior to DMCS. And before I throw out too many acronyms DMCS is the Default Management Collection System.

We don't send appeals to the Default Management Collection System. Those go to the holder prior to DMCS. You might want to take a look out on IFAP at the new record layouts. These record layouts will be effective for the upcoming cohort default rate calculation in January – both of them. Again that'll be the school cohort default rate history report DRC-035. In addition to updating the loan record detail report or the school cohort default rate history report we'll also be updating the 24 and 36 month repayment information rates.

If you're not familiar with these, these are a good tool to monitor how your rate might be shaping up. If you were to check out the web site on the org tab each month we calculate a simulated cohort default rate, for lack of a better word, with a moving numerator and denominator range. We don't' use the same numerator and

denominator that we use in the actual cohort default rate calculation, but it will begin to give you an idea of how your CDR is shaping up if you want to start taking a look at that each month. And again we'll be updating the record layouts that provide the supporting detail to those simulated rates.

We'll take questions at the end. In addition, if there are any lenders or servicers or guarantors in the audience, we'll also be updating your record layouts as well. If anyone has heard me talk specifically (probably in the last three years) I've talked about the school portfolio report at some point. We made some big changes to the school portfolio report just this past week. We didn't make too big of a deal because we wanted to do the big reveal for you guys this week.

To kind of recap what the school portfolio report is, we consider this to kind of be an all-purpose report that provides information about the entire portfolio that is associated with your school code. Today it's an ad hoc report that you can out and request at any point. We'll tell you about all of the federally serviced loans as well as the commercially serviced loans. And remember we talked a minute ago about there being specific data elements that aren't available on the commercial portfolio that is available on the federal portfolio.

Well many of those data elements roll into the school portfolio report. So you might want to take a look at some of that. And we detail in the actual backup information for the school portfolio report what is available on the federally serviced portfolio versus the commercially serviced portfolio. But we do provide the report based on a date-entered repayment range. Many schools find this useful.

They match this date-entered repayment range up to their cohort default rate denominator time period and run the report for that same time period and then utilize the information to monitor the performance of those borrowers that might potentially fall into that cohort year. That's just an idea for you if you haven't already thought of that. We do include merged school data on the report. So if you are a school that's acquired another school or your school has been acquired by another school, we will – If the new school is requesting the data we'll include the information from the prior school.

Just this past year we also added consolidation loans to the report. That was a change we also made. But a big key to this is it's

available in extract only. Today – or actually I would say two weeks ago – we only provided this in a fixed width format. And one of the changes we're going to talk about is we also now provide it in a comma delimited or a comma separated value format as well. We're just going to talk about it in a slide or two.

We did add a couple of new data fields that are worth mentioning. We added the monthly due date with the repayment plan information. This isn't the actual due date of a given payment at a given point in time but this is the date of the month that the bill is due as it's established with the repayment plan information. When the servicer initially establishes a repayment plan with our borrowers they're establishing the day of the month on which that payment is due.

This will be that same date. Of course, as servicing happens on a loan, this date may get changed: the borrower is delinquent; the payment is not due on that date, it's due immediately. There are factors that come into play but this will be the original day of the month that's established by the loan servicer. Again this is one of those data items that we collect on our federal side and we don't collect on our commercial side.

We're also going to include the most recent deferment detail information. We'll include the deferment start and stop date as well as the reason code for the deferment. This is to enhance the current status information that's already included in the report. One of the things that's worth pointing out (and I should back up one step) is this is actually the most recent deferment information. It may not be that the borrower or the loan is currently in deferment but we're going to tell you about the most recent deferment even if the borrower is not currently in deferment.

So you'll want to probably consider comparing this to the loan status to see if the borrower is currently in deferment. You can also take a look at the deferment stop date. It's generally a reasonable assumption that if the deferment stop date is in the future that the borrower is currently in this particular deferment transaction. If it's in the past then that deferment has also ended. The deferment details, the deferment transactions, are reported by both the federally serviced portfolio as well as the commercially serviced portfolio.

In addition to the deferment information we're also collecting and displaying the forbearance transaction data on the report as well. This will operate in a very similar way to the deferment

information and again this is only on our federal portfolio, not on our commercial portfolio. Prior to this month we only had the report available in a fixed width format. Again, a week or so ago, we did release the comma delimited or comma separated value formats in a new message class, in its own distinct message class. This particular format is now available to you in both the ad hoc as well as in the new version of the scheduled report that we're going to talk about in just a minute – which I'm kind of excited about.

In order to create a comma delimited version of this report we did have to move the fixed width report to its own specific message class. So if you're used to receiving the school report portfolio today (you're making those ad hoc requests) that report is now coming in under this new message class and I'm not going to read it to you because there's a lot of the same sounding letters in there. Please take note of that, that if you are beginning to request this – If you have been requesting it ad hoc the report is now coming in under this new message class.

The comma delimited report will come in under the message class that's also indicated on the slide. And so now you have the option on the ad hoc report to request it either fixed width or comma delimited. We heard from a lot of our smaller schools that aren't using some sort of proprietary software that using a comma delimited version of the data is much easier to manipulate and not an existing tool. We were very excited to release that.

Yeah, the scheduled report. NSLDS will now allow schools to establish an automatic push of this report on a scheduled basis. We will allow you to set the frequency, whether you want it bi-weekly, monthly, or quarterly. Every other week, if you select bi-weekly, NSLDS will queue up the data and automatically pump it out to the TG box that you specify in your reporting profile on the org tab – on the school profile page on the org tab of the NSLDS web site.

Along with that you will designate the specific TG box to which you would like the report sent on an automatic basis. It's a little different than the ad hoc report where today the ad hoc report only goes to the TG box associated with the User ID requesting the report. So in the scheduled report version we will allow you to send the report to any TG box associated with your school code. That is an important caveat. It has to be a TG box that's already established as associated with your school code.

You can't send this report to some other random school's TG number. Just keep that in mind as your specifying that. And again, when you set your scheduled report preferences we'll ask you to indicate whether you want it fixed width or comma delimited. With the report being a pushed report – and if you printed it out and brought a copy of the presentation with you you'll notice there are some changes on this slide. Make sure you are referencing what's displayed and not necessarily what's on your paper or on your iPad.

We'll make sure we have the updated presentation on IFAP by the end of the conference. If you are requesting the ad hoc report today we only allow up to a three year date-entered repayment range on the report. The scheduled report will push out six years' worth of data to you. It will include the current cohort year, two years after the current cohort year, and the three years prior to the current cohort year. I'm going to say that one more time and I'm going to say it a little differently this time.

It includes the three years prior to the current cohort year, the current cohort year, and two years after the current cohort year. We think that this will provide you enough data to watch and monitor the performance of what is most impactful to you as you're looking at monitoring the borrowers that are potentially in your cohort rate. Reminder that the cohort year is based on the federal fiscal year which begins October 1st and runs through September 30th.

If we're in the first three months of the cohort year (this is November 2012) we're actually in the 2013 cohort. Just make sure that you keep that in mind as you're looking at the information. And again, we'll have this slide updated and the data published presentation on IFAP at the end of the conference. We do have some upcoming changes and we have a lot of stuff to talk about. Today we're not going to go into a ton of detail about the aggregate calculations.

We utilize the difference – I'm sorry, not the difference. But we use the lesser of the total disbursed, the net loan amount, or the outstanding principal balance on older non-consolidation loans. And that's a big mouthful to say. What we're really trying to do here is to account for capitalized interest when we are calculating the aggregate amounts. This formula has worked for a really long time and it works really well in many situations. Any time that you see that the outstanding principal balance is greater than the

total disbursed it is an extremely safe assumption that that is due to capitalized interest.

And again this has worked really well for years. It will continue to work this way for our commercially serviced portfolio. But we're going to change how we do this a little bit because we have better information on the federally serviced portfolio. We're going to talk about this in a second. So if we look at the slide we can see that the disbursed amount on this particular loan is $6,000.00. The outstanding principal balance is $6,411.00. Well we can see over on the far right that the aggregate OPB is $6,000.00.

We're using the lesser of the two values. We assume that that $411.00 is due to capitalized interest in the aggregate calcs. The $6,000.00 is what's used to roll up to the very top of the same web page where we have the total aggregate values. Beginning with the 2013/2014 award year NSLDS is going to begin to subtract the total capitalized interest from the outstanding principal balance before we compare that value to the total disbursed.

What we've see is that borrowers are in school. Then they separate and begin to pay down their loans. And then when they re-enter school again there's a capitalization event occurring. Well if they had begun to repay those loans more than likely the balance had fallen below the total disbursed. If there was then a capitalization event we were only accounting for the amount of OPB (or Outstanding Principal Balance) that was greater than the total disbursed, when actually there was probably more capitalized interest there that could've been taken out of the aggregate calc.

We are going to begin to subtract the total capitalized interest that's reported by our federal servicers only. Again, this is not reported on the commercial portfolio. We are going to begin to subtract that from the outstanding principal balance before we compare that to the total disbursed. Let's look at how this is going to begin to work. You can see we're looking at the same example. Again the disbursed amount is $6,000.00. The Outstanding Principal Balance amount is $6,411.00.

However, this time, now our aggregate OPB is $5,911.00. If you look down below – If you are on the web site you would go to the loan detail screen where we have the total capitalized interest displayed. Now we are subtracting that total capitalized interest from the Outstanding Principal Balance before we compare the Outstanding Principal Balance to the total disbursed. In this particular borrower's situation we were able to give them $9.00 of

eligibility. $9.00 of eligibility, however, can be the difference between having to reaffirm a borrower that's over their limits or not.

We're hoping this will provide a little bit of relief in some of the reaffirmation. And this is one loan. Many of these borrowers, if they're close to their limits have 20 loans. We're hoping that will provide some help. Before we go on to the next slide we do want to talk more about a handful more aggregate issues that we've been investigating. We talked a little bit in the earlier slide about making that connection between unsub-consolidation loans and factoring out the PLUS underlying portions of those.

We've also recognized that we could probably do a little bit better job – a much better job actually – of factoring out the same information on other consolidation loan types – regular sub and unsub. So we are going to make some other changes with the 2013/2014 release in January that will better account for when a consolidation loan has an underlying loan type. We know that there have been some problems. And we recognized it.

We've heard from you guys. It took us a little while to determine what was going on but we have realized that there's a problem and we're working on getting that fixed in January. Also we've noticed that in some situations where consolidation loans come into play you might not be able to add the undergraduate and graduate totals to get to the lifetime totals that are displayed at the top of the web site. We've also identified a small bug that's impacting more than a couple of borrowers – a handful of borrowers at least – and we are also going to work on making that fix.

If you have some detailed questions or you have some examples that you'd like for us to look at, feel free to contact us at the end of the presentation, or again head over to the customer service center over in the Bayhill rooms and we can look to see if those are some that might be fitting these changes that we're making. Jeff talked a little bit yesterday about the Pell runner and the unusual enrollment history items. We are working on implementing this change on NSLDS also for the 2013/2014 award year.

We're not going to tell you the formula that we're using to do this but we will be doing it. This will impact pre-screening as well as post-screening and transfer student monitoring. We're going to continue to actively monitor the portfolio and if we find a borrower that meets any of the prescribed scenarios we will actively push that out via post-screening or transfer student monitoring. If it's

the first time the borrower has filed, of course that will be included in the pre-screening. We will not be displaying any icons on the web site though.

If you have any questions, again we can talk to you but we're still going to be a little big vague on the formula that we're using to identify these potentially impacted borrowers. Again, we're not saying that these borrowers are doing anything wrong. These are just borrowers that we're asking you to take a closer look at. Sometime in the early spring exit counseling will be moving from NSLDS to the financial awareness counseling tool.

Jim Runcie talked about this in the opening of the general session yesterday, about how great the counseling tool has been. We're excited to begin to look at exit counseling being incorporated over there as well. In order to make the transition to the new tool easier (hopefully) NSLDS will be providing a link on the existing student site to the new counseling tool. If you have packets of information that direct the borrower to the NSLDS student site to complete their exit counseling you can continue to direct them to the student site.

And we actually want you to continue to direct them to the student site. We will then link them over to the http://www.studentloans.gov where they can complete this exit counseling. The reason why we want you to continue to send them to the student site is this is where they will continue to go as they progress through repayment to monitor the department's view of their loans.

Another caveat to that is NSLDS will continue to provide the same reports that we currently provide to you today. NSLDS and http://www.studentloans.gov – We're establishing a feed where we will send over the loan data to them to provide any exit counseling session. They will send the completion data back to us to provide to you through the existing reports that we provided today. One other caveat – there are lots of caveats here I guess – is that TEACH exit counseling will remain on NSLDS. So any of your borrowers that are exiting through the TEACH program will continue to come to the NSLDS web site.

If you have any questions about this we're going to encourage you to visit our friends over in NCOD in their sessions to talk more in depth about the counseling tool itself. Valerie kind of mentioned the borrower demographic report. We're looking to release this sometime early next calendar as well. And the idea here (this is

why it's also important that we have this same feed with that exit counseling data) is we are going to begin to produce the report to provide skip tracing and address update data to both you and your school functionality as well as to our federal servicers in their traditional servicing capacities.

We will include in this new report all of the address information that's been reported to NSLDS via the enrollment data that Valerie showed us earlier, as well as what comes in through exit counseling, as well as the addresses that are provided to NSLDS by the federal loan servicers. We're going to match this up with the school portfolio report so that it will be a separate request. But the criteria by which we send the address information will be the same criteria with which we identify borrowers on the school portfolio report.

So if you were to request this particular report the address information will support the same borrowers that you're receiving in the school portfolio report. Again, this one will also be available on an extract only. One final slide and then we're going to take some questions. This is more of a reminder. If schools are using a third-party servicers, and this is any third-party servicer to which you are granting access to that servicer to do business with NSLDS on your behalf, you are required (and our friends at program compliance have asked us to remind you of this).

You are required to register that third-party servicing relationship on your ECAR. Usually when our friends in program compliance ask us to remind you about things it's something that they're taking a look at. If you question whether or not you have a third-party servicing relationship with somebody, my rule of thumb is that if you have granted access to NSLDS on your school's behalf to someone that does not work at your school, you have a third-party servicing relationship.

There are other types of third-party servicing relationships that you are also required to report, but from NSLDS only if you've granted access to someone who's not employed at your school you do need to make sure that that relationship is reported to the department. This could be for enrollment. It could be for report processing. It could be for Perkins reporting, any sort of outside entity that's doing business with NSLDS on your behalf. If you have any questions about this, please come talk to Valerie and myself.

We are going to take questions for the next 13 minutes or so. If we don't get to your questions then we will be available afterwards and

we have some other staff that are also here that can answer your question. Feel free. Well it doesn't look like we're going to have any questions. We're available up here if you were too shy to ask in front of the group. Thanks guys. Have a great conference.
[Applause]