

April 2006

DLB-06-02

Subject: Direct Loan Closeout Information for the 2004-2005 Program Year

Dear Partner:

The closeout deadline for the 2004-2005 Direct Loan Program Year is **Monday, July 31, 2006**. This is the last processing day of the program year, and, as such, all school data must be submitted to the Common Origination and Disbursement (COD) System by this date. (Note: As always, all submitted records subsequently must be accepted by the COD System in order to be included in your school's final Ending Cash Balance for the year.) To be considered successfully closed out, your school must have an Ending Cash Balance of \$0 and Total Net Unbooked Disbursements of \$0, as reflected on your School Account Statement (SAS) Report.

As part of the closeout process, we will send a Notification/Warning Letter to schools in May 2006. This letter will go to all schools that have not officially closed out (including any schools with a zero balance). The letter will be sent to the school's Financial Aid Administrator and President as a reminder to close out before the final deadline.

A school must be aware of its closeout status even if its Direct Loan processing is handled by a third party servicer. *It is the school's responsibility to ensure that it closes out on time.* If this is the case for your school, please communicate with your third party servicer to ensure closeout is completed.

As a reminder, reconciliation is performed on a monthly basis, and the final closeout stage should begin as of the last loan period end date at your school for a given program year. A key factor to an easy reconciliation and closeout is staying on top of the process. We encourage your school to complete the following simple steps while reviewing your school's internal records and the COD System records:

- Ensure that all drawdowns and refunds of cash are accounted for and applied to the correct program year;
- Ensure that all disbursements and adjustments are accurate and have been reported to and accepted by the COD System;
- Ensure that all batches have been sent to and accepted by the COD System;
- Ensure that all unbooked loans are resolved;
- Resolve all outstanding rejected records; and
- Return all refunds of cash to us according to the guidance provided in DLB-04-06 (<http://www.ifap.ed.gov/dlbulletins/DLB0406.html>).

There are numerous tools available to assist schools in reconciliation and closeout efforts. These tools include:

- SAS Reports;
- 30-Day Warning Reports;

- Grant Administration and Payment System (GAPS) Web site and reports;
- COD Web site (particularly the Funding Information screen);
- DL Tools/SAS Compare Program; and
- Customer Service Representative/Reconciliation Specialist assistance.

We appreciate your cooperation as we work to close out the 2004-2005 Direct Loan Program Year. If you have questions about this bulletin or need assistance with closeout, please contact the COD School Relations Center at 800/848-0978 or by e-mail to codsupport@acs-inc.com. Thank you for your ongoing partnership in the Direct Loan Program.

Sincerely,

Bill Leith
General Manager, Program Operations Channel