



COD Processing Update

February 24, 2012

NEWS/UPDATES

• **2009-2010 Pell Grant CFL Reduction to G5 Net Drawdown Warning Message (02/22/12)**

At this time, all Federal Pell Grant (Pell Grant) funds for the 2009-2010 Award Year should have been disbursed to students. In general, schools are to submit Pell Grant disbursements to the Department of Education (the Department) no later than 30 days after making an actual disbursement or becoming aware of the need to adjust a student's previously reported disbursement. Accordingly, disbursements and disbursement adjustments for the 2009-2010 Award Year should have already been submitted to the Common Origination and Disbursement (COD) System for processing.

2009-2010 CFL Reduction to G5 Net Drawdown Warning Message Sent on February 21, 2012

On February 21, 2012, Federal Student Aid sent a message to schools that have a G5 Pell Grant authorization, known in the COD System as Current Funding Level (CFL), for the 2009-2010 Award Year that is greater than their Net Drawdown amount reflected in the COD System and in G5. The message warns an affected school that its 2009-2010 Pell Grant CFL will be reduced to the G5 Net Drawdown if the CFL is still greater than the G5 Net Drawdown on March 15, 2012. When the actual reduction occurs on March 15th, the school will have a reduced authorization in G5 and will receive an Electronic Statement of Account (ESOA) that reflects the revised authorization.

Federal Student Aid sent the February 21, 2012 warning message to an affected school's Student Aid Internet Gateway (SAIG) mailbox in the message class PGTX100P. A school that receives the warning message should review its internal records and its CFL, G5 Net Drawdown, and Net Accepted and Posted Disbursements (NAPD) reflected in the COD System as soon as possible. The school should submit all outstanding downward disbursement adjustments to the COD System and/or request any outstanding drawdown from G5 for the 2009-2010 Award Year as soon as possible but before March 15, 2012.

This same information is posted in a [February 22, 2012 Electronic Announcement](#) on the Information for Financial Aid Professionals (IFAP) Web site. If you have questions about the 2009-2010 Pell Grant CFL reduction to G5 Net Drawdown, contact the COD School Relations Center.

• **Federal Student Loan Issues (02/22/12)**

On February 22, 2012, Federal Student Aid posted Dear Colleague Letter [GEN-12-04](#). The letter provides information about the change in the interest rate on Direct Subsidized Loans made to undergraduate students that will apply to new loans first disbursed on or after July 1, 2012. It also responds to questions from institutions about the continued eligibility of dependent undergraduate students to receive up to \$2,000 in additional Direct Unsubsidized Loan funds. Finally, the letter reminds institutions of upcoming changes made to the Direct Loan Program by the Budget Control Act of 2011.

For more information about these federal student loan issues, refer to Dear Colleague Letter [GEN-12-04](#).

• **Preliminary Information – Implementation of the 12 Semester Lifetime Limit for Federal Pell Grants (02/21/12)**

In [Dear Colleague Letter GEN-12-01, posted to the Information for Financial Aid Professionals \(IFAP\) Web site on January 18, 2012](#), Federal Student Aid informed you of changes made to the Title IV student aid programs by the recently enacted Consolidated Appropriations Act of 2012 (Public Law 112-74). Among those changes was an



amendment to HEA section 401(c)(5) that reduced the duration of a student’s eligibility to receive a Federal Pell Grant from 18 semesters (or its equivalent), to 12 semesters (or its equivalent). This change is effective with the 2012-2013 Award Year and applies to all Federal Pell Grant eligible students. It is not limited to students who received their first Federal Pell Grant on or after the 2008-2009 Award Year, as the HEA previously provided.

For complete information about the implementation plans for the 12 semester lifetime limit for Federal Pell Grants, refer to [the February 17, 2012 Electronic Announcement](#) posted on the IFAP Web site.

• **Calculating the 2011-2012 and 2012-2013 Iraq and Afghanistan Service Grant Award (02/21/12)**

On February 21, 2012 Federal Student Aid posted an Electronic Announcement that provides information on calculating the Iraq and Afghanistan Service Grant award for the 2011-2012 and 2012-2013 award years.

For complete information about calculating the 2011-2012 and 2012-2013 Iraq and Afghanistan Service Grant award, refer to [the February 21, 2012 Electronic Announcement](#) posted on the Information for Financial Aid Professionals (IFAP) Web site.

• **Direct Loan Closeout Information for 2010-2011 Program Year Electronic Announcement Released (02/17/12)**

An [Electronic Announcement](#) was released to schools from the COD School Relations Center on February 16, 2012 and is posted on the Information for Financial Aid Professionals (IFAP) Web site. This announcement is the first in a series of Direct Loan closeout announcements that informs schools of the closeout deadline for the 2010-2011 Program Year.

If you would like to be added to or removed from the Direct Loan Electronic Announcement distribution list, please submit an e-mail to CODSupport@acs-inc.com with the subject line of “DL Electronic Announcement Distribution”.

CURRENT ISSUES

DIRECT LOANS

COD Reject Edit 39 Returned Incorrectly in Some Situations (02/20/12)

Federal Student Aid has determined an issue in which COD Reject Edit 39 (Incorrect Award Amount) is being returned incorrectly in certain situations. This issue occurs when a borrower has received Direct Unsubsidized Loan awards at a different school and the first school submitted a Direct Unsubsidized Loan award with the Additional Unsubsidized Indicator set to “True,” but the second school does not. The second school receives COD Reject Edit 39 when submitting disbursements, because the COD System is not evaluating all Direct Loan awards for the Additional Unsubsidized Indicator.

Federal Student Aid plans to correct this issue on March 10, 2012. In the meantime, schools should submit the Additional Unsubsidized Indicator as “True” and the

record will accept. If a school is still in need of assistance, contact the COD School Relations Center.

Federal Student Aid apologizes for any inconvenience this issue may cause.

GRANTS

There are no Grant specific issues to report at this time.

REMINDERS

Impact on COD Processing February 25-26, 2012 (02/24/12)

Federal Student Aid is planning several system maintenance activities on February 25-26, 2012. In addition, the Student Aid Internet Gateway (SAIG) will be unavailable from 3:00 A.M. until 11:00 A.M. (ET) due to its regular Sunday morning maintenance. These activities will result in outages of certain COD System functionality for a period of time.



An explanation of how these activities will impact COD System availability and processing follows below. Please review this information to determine if processing at your school will be affected.

Extended COD System Maintenance

From 8:00 P.M. (ET) Saturday, February 25, 2012 until 1:30 P.M. (ET) Sunday, February 26, 2012—

- Users will not be able to submit or retrieve data via the [COD Web site](#).
- An individual will not be able to complete online Direct Loan Entrance Counseling, complete a new Master Promissory Note (MPN) electronically, complete a Direct PLUS Loan Request electronically, endorse a Direct PLUS Loan electronically or view loan correspondence via the [StudentLoans.gov Web site](#).
- An individual will not be able to complete TEACH Grant Initial and Subsequent Counseling, complete a new TEACH Grant Agreement to Serve (ATS), or retrieve an existing ATS via the [TEACH Grant Web site](#).
- Batches submitted by schools via the SAIG will be held or schools will receive an error message informing them that the SAIG is unavailable and that the data must be transmitted at a later time.

Contact Information

Federal Student Aid appreciates your patience and understanding as it completes this important activity. If you have any questions about the COD System, the StudentLoans.gov Web site, or the TEACH Grant Web site, contact the COD School Relations Center. If you have any questions about the SAIG, contact CPS/SAIG Technical Support at 800/330-5947 or by e-mail at CPSSAIG@ed.gov.

COD Computer-Based Training (02/24/12)

Federal Student Aid takes this opportunity to remind the community of the availability of the COD Computer-Based Training (CBT).

The COD CBT consists of component simulations and CBTs. The electronic files associated with each component, as well as information about downloading and navigating the COD CBT, are available on the Information for Financial Aid Professionals (IFAP) Web site. Under the “Tools for Schools” section on the home page, click on [COD Computer-Based Training](#).

Sending Addresses for U.S. Territories and Foreign Countries on the Common Record or the COD Web site (02/24/12)

When submitting student or borrower addresses or address changes to the Common Origination and Disbursement (COD) System, it is important that the correct tags are used, particularly when the student or borrower address is located in a U.S. Territory or Foreign Country. If these addresses are not submitted correctly, important correspondence from the COD System and the federal loan servicers is delayed or not received.

- When a student or borrower address is located in a U.S. Territory it is considered a domestic address. Do not submit a Country Code.
- When a student or borrower address is located in a Foreign Country, it is treated as a foreign address.

See below for the correct procedures for submitting U.S. Territories and Foreign Country addresses via the Common Record batch submission or COD Web site.

Submitting Addresses for U.S. Territories and Foreign Countries via the Common Record

When creating or updating a person record via the Common Record batch submission, a school should send the address block with the following tags:



Schema Version	Included Tags for Domestic Address, including U.S. Territories	Excluded Tags for Domestic Address, including U.S. Territories	Included Tags for Foreign Addresses
3.0c or 3.0d	<AddressLine> <City> <StateProvinceCode> <PostalCode>	<StateProvince> <CountryCode>	<AddressLine> <City> <StateProvince> (Optional) <PostalCode> (Optional) <CountryCode>

Submitting Addresses for U.S. Territories and Foreign Countries via the COD Web site

When creating or updating a person record on the COD Web site, a school should select the U.S. Territory from the dropdown box in the State/Province field. A school should select the Country field as “Blank”.

A complete list of State Codes (including U.S. Territories), Jurisdictions, and Country Codes are provided in Volume VI, Section 4 of the [2010-2011 COD Technical Reference](#). If you have questions about this information, contact the COD School Relations Center.