

COD System Processing Function Enhancements and Modifications for 2010-2011

Attachment to March 2010 Electronic Announcement

We have posted or will soon post communications on the [Information for Financial Aid Professionals \(IFAP\) Web site](#) that further explain the processing function enhancements and modifications we will implement during the March 26-27, 2010 period. These include:

- Volume I, Section 2 of the [2010-2011 COD Technical Reference](#)
- Conference presentations during summer and fall 2009
- Electronic Announcement: Enhancements to Direct Loan Functionality Via New StudentLoans.gov Web Site

The purpose of this document is to highlight some of the previously provided information. We cover information in the following order:

- Changes Impacting All Programs
- Changes Impacting ACG and National SMART Grant Programs
- Changes Impacting Pell Grant Program
- Changes Impacting TEACH Grant Program
- Changes Impacting Direct Loan Program

If you have any questions about this document, contact the COD School Relations Center at 800/474-7268 for Grants or 800/848-0978 for Direct Loans. You may also e-mail CODSupport@acs-inc.com.

Changes Impacting All Programs

The following changes will impact COD System processing of Academic Competitiveness Grant (ACG), National Science and Mathematics Access to Retain Talent Grant (National SMART Grant), Federal Pell Grant (Pell Grant), Teacher Education Assistance for College and Higher Education (TEACH) Grant, and William D. Ford Federal Direct Loan (Direct Loan) awards.

COD Web Site User Level 1 Expanded

Beginning March 27, 2010, certain school and third party users will have expanded capabilities on the COD Web site. In addition to their current functions to search for and initiate credit checks, users associated with School User Level 1 and Third Party User Level 1 will now have view-only access to all COD Web site pages as well as additional search capability (including, but not limited to, person, award, and batch search).

Note: Users associated with School User Level 2 and Third Party User Level 2 remain unchanged and will not be able to initiate credit checks.

Changes Impacting the ACG and National SMART Grant Programs

There are no major changes to these programs for the 2010-2011 Award Year. If additional 2010-2011 rigorous high schools programs (for ACG) or fields of study (for National SMART Grant) are announced by the Secretary, we will provide guidance in a future announcement.

The 2010-2011 Award Year is the final year for these programs. Summer 2011 cross-over periods must be assigned to the 2010-2011 Award Year.

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Changes Impacting the Pell Grant Program

The following changes will impact COD System processing of Pell Grant awards.

Maximum Pell for Children of Deceased Members of the Military

Under certain conditions, a Pell-eligible student whose parent died as a result of military service in Iraq or Afghanistan after September 11, 2001, may receive a maximum Pell Grant award regardless of the student's calculated expected family contribution (EFC).

Beginning March 27, 2010, a school will no longer be able to check/uncheck the "Post 9/11 Deceased Veteran Dependent Indicator" field on the COD Web site. The COD System will use the Department of Defense (DoD) match results from the student's CPS record to populate the "Post 9/11 Deceased Veteran Dependent Indicator".

The COD System will use the "DoD Match Flag" field from the student's CPS data to set the "Post 9/11 Deceased Veteran Dependent Indicator". If the "DoD Match Flag" field is 'true', the COD System will set the "Post 9/11 Deceased Veteran Dependent Indicator" as 'true'. If the "DoD Match Flag" field is any value other than 'true', the indicator will not be updated.

Notes:

1. The "Post 9/11 Deceased Veteran Dependent Indicator" will not be a new tag on the Common Record and will not be returned to schools in the Common Record response.
2. The COD Web site will always display a value of 'Yes' (for true) or 'No' (for false) in the "Post 9/11 Deceased Veteran Dependent Indicator" field.
3. Once the COD System accepts the person and award data, the indicator can only be changed by contacting the COD School Relations Center.

Additional Functionality to Support Maximum Duration of Eligibility (Pell Grant Awards Limited to 18 Semesters)

For 2010-2011 and forward, the COD System will return the <Lifetime Eligibility Used> (LEU) tag in the Common Record Response and the Negative Disbursement System-Generated Response. The LEU tag will only be included in these responses for Pell Grant recipients subject to the 18 semester lifetime Pell Grant limitation (recipients who received their first Pell Grant disbursement in the 2008-2009 Award Year or forward). LEU is displayed as a percentage of eligibility used to date, with a maximum eligibility of 900%.

The COD System will continue to return COD Warning Edit 177 and COD Warning Edit 178 under current processing rules.

Modification to Allowable Disbursement Date Window for Pell Grant Awards

Beginning March 27, 2010, the maximum number of days that an Advanced Funded school can submit an actual disbursement (DRI value equals "True") for a 2010-2011 or forward Pell Grant award has been reduced from 30 days to 7 days.

COD Edit 51 (Disbursement Date with Disbursement Release Indicator Set to True Outside of Allowable Window) will be modified to be returned when an actual disbursement for a Pell Grant award is submitted more than 7 days before the disbursement date.

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Modify COD Edit 166 (Attended School is not a main location)

Beginning March 27, 2010, the COD System will reject Pell Grant, ACG, and National SMART awards that include an attended school that is not a main location.

Changes Impacting TEACH Grant Program

The following changes will impact COD System processing of TEACH Grant awards.

Agreement to Serve Search Functionality Updated

Beginning March 27, 2010, the search functionality for TEACH Grant Agreements to Serve (ATS) will be updated. Under the Person menu, the ATS/Pnote Search link will be renamed MPN/ATS Search. From the MPN/ATS Search page, users will use a dropdown box to perform searches for TEACH Grant ATS or Direct Loan Master Promissory Notes (MPNs). The various search options have not changed.

Changes Impacting Direct Loan Program

The following changes will impact COD System processing of Direct Subsidized Loan, Direct Unsubsidized Loan, and Direct PLUS Loan awards.

Direct Subsidized Loan and Direct Unsubsidized Loan Origination Fee Reduction

As part of the changes to the student loan programs made by the Higher Education Reconciliation Act of 2005 (the HERA), Pub. L. 109-171, the origination fee for Direct Subsidized Loans and Direct Unsubsidized Loans will again be reduced. The up-front interest rebate will also be reduced. For complete operational guidance on implementing the origination fee and up-front interest rebate reductions, refer to [the February 4, 2010 Electronic Announcement posted on the IFAP Web site](#).

No Default Date of Birth for Online Credit Checks

Beginning March 27, 2010, the COD System will no longer use the current processing date as the default value for the Date of Birth (DOB) field on the Credit Check Request page or the Credit Check Search page on the COD Web site. Instead, the DOB field will default to 'blank'.

MPN Search Functionality Updated

Beginning March 27, 2010, the search functionality for Direct Loan MPNs will be updated. Under the Person menu, the ATS/Pnote Search link will be renamed MPN/ATS Search. From the MPN/ATS Search page, users will use a dropdown box to perform searches for Direct Loan MPNs or TEACH Grant ATS. The various search options have not changed.

20 Disbursements Allowed for Direct PLUS Loan Awards

Beginning March 27, 2010, a school can submit up to 20 disbursements for Direct PLUS Loan awards.

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Direct PLUS Loan Awards With Denied Credit Will be Built on the COD System

Beginning March 27, 2010, the COD System will build Direct PLUS Loan awards even if the credit decision is not accepted. However, changes to the borrower, award, or disbursement information will not be accepted until the denied credit decision is resolved (via appeal, endorser, etc.). **Note:** The COD System will allow the award amount and disbursement amount(s) to be reduced to zero. In these cases, all required tags to *originate* an award must be submitted.

StudentLoans.gov Web site and Impact to Direct Loan Processing

The COD System release for the 2010-2011 Award Year makes significant changes to several components of the Direct Loan Program.

Beginning March 27, 2010, a new Web site will be launched that will serve as a portal for Direct Loan borrowers to manage their Direct Loans. The new Web site is StudentLoans.gov. Borrowers will use the StudentLoans.gov Web site to:

- complete Direct Loan Entrance Counseling (Direct Loan Exit Counseling is not part of the StudentLoans.gov Web site and will be discussed further in a forthcoming Electronic Announcement.)
- complete a Direct Loan Electronic MPN (Subsidized/Unsubsidized and/or PLUS)
- view electronic loan correspondence such as disclosure statements
- link to other tools and resources

In addition, Direct PLUS Loan endorser will be able to complete an online Endorser Addendum.

The StudentLoans.gov Web site will allow Direct PLUS Loan borrowers (both parents and graduate/professional students) to complete a request for a Direct PLUS Loan and initiate a credit check online. ***Note: This new functionality will be implemented in April 2010, and we will notify schools when this functionality is available through another Electronic Announcement posted on the IFAP Web site. In the meantime, the COD System will continue to accept Direct PLUS Loan awards and process credit checks under current processing rules. Borrowers will be able to complete the Direct PLUS Loan MPN via the StudentLoans.gov Web site.***

Additional operational guidance about the new StudentLoans.gov Web site and Direct Loan Entrance Counseling is provided in a separate Electronic Announcement posted on the [IFAP Web site](#).