

## **COD System Processing Function Enhancements and Modifications for 2009-2010**

### **Attachment to March 2009 Electronic Announcement**

In Volume I, Section 2 of the [2009-2010 COD Technical Reference](#), we provide an overview of the enhancements and modifications being made to the Common Origination and Disbursement (COD) System for the 2009-2010 Award Year. We have also provided enhancement and modification information in conference presentations during summer and fall 2008 and in communications posted on the [Information for Financial Aid Professionals \(IFAP\) Web site](#).

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

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

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](mailto:CODSupport@acs-inc.com).

#### **Changes Impacting the ACG, National SMART Grant, and Pell Grant 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), and Federal Pell Grant (Pell Grant) awards.

##### ***Pell Grant Cost of Attendance Field***

Beginning March 28, 2009, if the Cost of Attendance field is submitted without a valid value, the COD System will no longer correct the field by placing a default value in the field. Instead, the COD System will reject the award with COD Reject Edit 994 (Missing Value). This change applies to all award years.

##### ***Removal of QA School Exemption for Verification “W” Global Jobs***

In January 2008, we began sending monthly COD System-generated Verification Status reports to Quality Assurance (QA) schools. Beginning March 28, 2009 the COD System will no longer exempt QA schools from the Verification “W” process. Edits 061, 064, 114, 145, and 146 will be applied to awards and disbursements submitted by QA Schools as well as all other schools currently included in Verification “W” processing. QA Schools must follow Verification “W” business processing and rules.

**Note:** For complete information about verification status codes, refer to [the September 28, 2007 Electronic Announcement posted on the IFAP Web site](#), which provides updated operational guidance on the codes to use when reporting verification status to us in Pell Grant awards.

##### ***ACG and National SMART Grant Citizenship Status Code and Grade Level Changes***

For 2009-2010 and forward, the COD System will be updated to accept additional valid values in the Citizenship Status Code and Grade Level fields.

- The COD System will accept a value of ‘2- Eligible Non-Citizen’ in the Citizenship Status Code field for both ACG and National SMART Grant awards.

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- The COD System will accept a value of 5 in the Grade Level field for National SMART Grant awards.

#### ***Citizenship Status Code Processing for ACG, National SMART Grant, and Pell Grant Awards***

The COD System will be updated to apply more consistent edit logic for the Citizenship Status Code for ACG, National SMART Grant, and Pell Grant awards. The Citizenship Status Code will be evaluated in the same manner across all the grant programs.

If the Citizenship Status Code field is not populated on the incoming origination records, the COD System will now evaluate the values from the CPS Abbreviated Applicant File (AAF). The COD System will evaluate the value in the Social Security Administration (SSA) Citizenship Flag field, and if necessary, the DHS Match Flag field and the Secondary DHS Match Flag field.

If the Citizenship Status Code field is not populated on the incoming origination record, but the citizenship status can be determined from the CPS AAF, the COD System will use it to accept and build the award. **Note:** If the citizenship status is determined by using the CPS AAF, it will be stored on the COD System, but will not be returned on the Common Record response.

If the Citizenship Status Code field is not populated on the incoming origination record, and the citizenship status cannot be determined from the CPS AAF, the COD System will reject the award.

#### **Changes Impacting TEACH Grant Program**

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

#### ***TEACH Grant Online Initial/Subsequent and Exit Counseling***

Beginning March 28, 2009, TEACH Grant Initial/Subsequent Counseling will be available on the [TEACH Grant Web site](#). All students receiving a TEACH Grant award for the 2009-2010 Award Year must complete initial counseling on the [TEACH Grant Web site](#).

**Note:** Because additional functionality will be added to the Web site, its name will change from the TEACH Grant ATS Web site to the TEACH Grant Web site. The URL will remain unchanged.

Beginning March 31, 2009, TEACH Grant Exit Counseling will be available on the [Direct Loan Servicing Online Web site](#).

Detailed information about both counseling sessions will be provided in a forthcoming electronic announcement.

#### ***TEACH Grant Reports***

The COD System will create the following new school reports for the TEACH Grant Program:

- TEACH Grant Rebuild File – A school will be able to request a TEACH Grant Rebuild File via the [COD Web site](#) for the purpose of rebuilding a record or records.
- TEACH Grant Multiple Reporting Record (MRR) – A school will be able to request a TEACH Grant MRR via the [COD Web site](#).

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- TEACH Grant Agreement to Serve (ATS) Discharge Report

We encourage all TEACH Grant schools to refer to the TEACH Grant report information in the 2009-2010 COD Technical Reference. Detailed information about these reports (including business rules, record layouts, and examples) is available in Volume VI, Section 8 of the [2009-2010 COD Technical Reference](#). The message classes in which these reports will be sent to a school's SAIG mailbox are fully outlined in Volume II, Section 2 of the [2009-2010 COD Technical Reference](#).

#### ***Mask SSN on TEACH Grant Correspondence***

Beginning March 28, 2009, we will begin to mask the Social Security Number (SSN) on all non-legal correspondence. In cases where correspondence includes the borrower and/or student SSN, displayed independently or as part of an Agreement to Serve (ATS) ID or Award ID, we will mask the first five characters with "X's". We will not mask the SSN, displayed independently or as part of an ATS ID or Award ID on legal correspondence, such as the ATS.

#### ***Direct Loan Servicing Link Available to TEACH Grant School Users***

Beginning March 28, 2009, participating TEACH Grant schools will be able access the Direct Loan Servicing System (DLSS) through the COD Web site. Users who have a valid COD Web site User ID and password will access the DLSS by clicking on the Services tab, then Direct Loan Servicing, then the highlighted link.

#### ***TEACH Grant Closeout Process and Reports***

During the period March 27-28, 2009, we will implement additional COD System functionality that will support the TEACH Grant Closeout Process. Additional operational guidance about the closeout process will be provided in a forthcoming Electronic Announcement.

#### **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. This year, 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 Electronic Announcement posted on the IFAP Web site](#).

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#### *Direct Subsidized Loan and Direct Unsubsidized Loan Limit Edits*

Beginning March 28, 2009, the COD System loan limit edits will be enhanced to reflect changes made to loan limits in the Ensuring Continued Access to Student Loans Act (ECASLA). As explained below, a new edit will be added to the COD System and an existing edit will be modified.

COD Reject Edit 167 (Sum of Subsidized Awards exceeds the Subsidized Loan Limit) will be returned when an origination or change record is submitted with a Direct Subsidized Loan that has an earliest disbursement date on or after July 1, 2008 and the sum of all applicable subsidized awards at that school for that student exceeds the base subsidized loan limit for the reported grade level. The new edit will be performed on all subsidized awards.

COD Reject Edit 157 (Sum of Award Amounts exceeds Base Annual Loan Limit) will be modified to validate the Dependent Combination Base Loan Limit values when an award has an earliest disbursement date on or after July 1, 2008. If an award is submitted with an earliest disbursement date before July 1, 2008, COD Reject Edit 157 will use the Subsidized Loan Limits (formerly the Base Loan Limits).

When a Direct Loan award for a dependent student has an earliest disbursement date before July 1, 2008, COD Reject Edit 157 will be returned if all of the following criteria are met:

- the student has a Direct Unsubsidized Loan,
- all applicable Direct Unsubsidized Loans have an Additional Unsubsidized Indicator of 'false', AND
- the award will cause the cumulative award amount of all applicable Direct Subsidized and Direct Unsubsidized Loans at a single school to exceed the Subsidized Loan Limit for the reported grade level.

When a Direct Loan award for a dependent student has an earliest disbursement date on or after July 1, 2008, COD Reject Edit 157 will be returned if all of the following criteria are met:

- the student has a Direct Unsubsidized Loan,
- all applicable Direct Unsubsidized Loans have an Additional Unsubsidized Indicator of 'false', AND
- the award will cause the cumulative award amount of all applicable Direct Subsidized and Direct Unsubsidized loans at a single school to exceed the Dependent Combination Base Annual Loan Limit for the reported grade level.

There is no change to COD Reject Edit 39 (Incorrect Award Amount). This edit will continue to be returned when the award and/or disbursement amount exceeds the maximum annual limit (when a student is Independent or has an applicable award with an Additional Unsubsidized Indicator of 'true').

#### *School Administrative Functions on Direct Loan Electronic MPN Web Site Moved to COD Web Site*

Beginning, March 28, 2009, all school administrative functions performed on the [Direct Loan Electronic MPN Web site](#) will be moved to the [COD Web site](#). The School Options Information page on the [COD Web site](#) will have a new section that allows authorized users to set or change their processing options for electronic MPNs. In addition, the ATS/Pnote Search page will be modified so that date range search results will include both ATS and MPNs. **Note:** Schools will be able to view

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ATS and MPNs completed electronically from the date range search results. Schools will not be able to view paper MPNs.

Because the school administrative functions for the Direct Loan Electronic MPN Web site will be moved, there will no longer be a need for a separate User ID and Password for the two Web sites. As of March 28, 2009, all eMPN Web User IDs and Passwords will be deactivated. In addition, the Login to eMPN online link will be removed from the Direct Loan Electronic MPN Web site.

- If a school user (Level 2 and above) has a COD Web User ID and Password and an eMPN Web User ID and Password, no action is necessary. The eMPN User ID and Password will be deactivated as of March 28, 2009. These users will be able to use the COD Web site to perform all school administrative functions previously completed on the Direct Loan Electronic MPN Web site.
- If a school user (Level 2 and above) has a COD Web User ID and Password only, no action is necessary. These users will be able to use the COD Web site to perform all school administrative functions previously completed on the Direct Loan Electronic MPN Web site. **Note:** If a user does not know his or her COD User Level or needs to change it, the user should contact his or her school's COD System Security Administrator.
- If a school user has an eMPN Web User ID and Password only, the user must request a COD Web User ID and Password to perform any school administrative functions previously completed on the Direct Loan Electronic MPN Web site. The user must contact his or her school's COD System Security Administrator and refer to the IFAP posting at <http://ifap.ed.gov/eannouncements/0201UpdatedCODWebsiteSchools.html>.

**Note:** This change will have no impact to student and parent borrowers using the [Direct Loan Electronic MPN Web site](#).

#### ***Multiple Locations Option Added to Direct Loan Electronic MPN Web Site***

In addition to school administrative functions moving to the [COD Web site](#) as described above, schools with multiple locations will have the option to include the school name under every state on the [Direct Loan Electronic MPN Web site](#). This option is particularly useful for schools that have multiple Direct Loan codes (branch campuses or additional locations) as it will allow borrowers to select the state and school location he or she is attending rather than the main school or home office location (which may be in a different state).

The new option will be found on the School Options Information page on the [COD Web site](#) with the field name, Multiple Location. The default value is set to 'N'. If a school wants to change this option, it must change the value to 'Y'. Once changed, the school name will appear under every state on Step 3 of the Direct Loan Electronic MPN process. Instead of the address of the main location, the words "Multiple Locations" will appear and will be printed on the PDF version of the MPN.

For example, Sample University's main campus is located in Chicago, Illinois, but it has two additional locations in Michigan and Ohio. Currently, when completing Step 3 of the electronic MPN process, any student attending Sample University in Michigan or Ohio would not see the school name in the state where they are attending school. The missing name often caused the student to stop completing the MPN. Beginning March 28, 2009, once Sample University sets the Multiple Location option to 'Y', its name will appear under every state as "Sample University-Multiple Locations."

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When completing Step 3, any student attending Sample University in Michigan or Ohio will be able to see and select the school name in the state they are attending school.

*Note:* When a school changes this option, the school name will appear on the [Direct Loan Electronic MPN Web site](#) after the next “refresh” interval. Schools should allow at least an hour before the option is effective.

#### ***Mask SSN on Direct Loan Correspondence***

Beginning March 28, 2009, we will begin to mask the Social Security Number (SSN) on all non-legal correspondence. In cases where correspondence includes the borrower and/or student SSN, displayed independently or as part of a Master Promissory Note (MPN) ID or Award ID, we will mask the first five characters with “X’s”. This impacts the following non-legal correspondence:

- Cover Letters
- Reminder Letters
- Disclosure Statements

We will not mask the SSN, displayed independently or as part of an MPN ID or Award ID on legal correspondence, such as the MPN or Endorser Addendum.

#### ***Redesign of 30-Day Warning Report***

The preformatted 30-Day Warning report layout will be modified to generate the “Loans Pending Booking” section of the report in its entirety before generating the “Promissory Notes without Origination Records” section. This change will reduce the length of the report, reduce wasted space, and reduce paper if it is printed. The delimited reports available through a school’s Student Aid Internet Gateway (SAIG) mailbox and the CSV reports available via the COD Reporting Web site will remain unchanged.

Detailed information about the 30-Day Warning Report (including business rules, record layouts, and examples) is available in Volume VI, Section 8 of the [2009-2010 COD Technical Reference](#).

#### **Changes Impacting All Programs**

The following changes will impact COD System processing of ACG, National SMART Grant, Pell Grant, TEACH Grant, Direct Subsidized Loan, Direct Unsubsidized Loan, and Direct PLUS Loan awards.

#### ***Person Edit 15 Removed***

Beginning 2009-2010 and forward, the COD System will no longer return COD Warning Edit 15. This warning edit was returned when the corrected value submitted on the Common Record was the same as the original value stored in the COD System.

#### ***Pending Disbursement Listing Modified***

The Pending Disbursement Listing will be modified and sent to a school only when it has pending disbursements that fall within a defined timeframe that differs by program. The report will still be run on a weekly basis; however, this change will result in the report only being sent to a school when

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it has new or relevant pending disbursement activity for that week. Report formats will remain unchanged.

Detailed information about the Pending Disbursement Listing (including business rules, record layouts, and examples) is available in Volume VI, Section 8 of the [2009-2010 COD Technical Reference](#).