March 21, 2008

This edition of the COD Processing Update will remain on the COD Web site until a new edition is posted. We will notify schools via a COD Web Message when a new edition has been posted.

Grant Programs
ACG, National SMART Grant, Pell Grant, and TEACH Grant

COD News

UPDATED!

TEACH Grant Operational Implementation Guidance – TEACH Grant Implementation and Processing Webinar for Schools and TEACH Grant NPRM [02/12/08 (Updated 03/21/08)]
The College Cost Reduction and Access Act (the CCRAA), Pub. L. 110-84, created the Teacher Education Assistance for College and Higher Education (TEACH) Grant Program. This program is effective beginning with the 2008-2009 Award Year and provides up to $4,000 a year in grant assistance to students who plan on becoming a teacher and meet certain specified requirements. If a student who receives a TEACH Grant does not complete the required teaching, the grant must be repaid as a Direct Unsubsidized Loan under the William D. Ford Federal Direct Loan Program.

Note: For policy information on all of the provisions of the CCRAA, including the TEACH Grant Program, refer to Dear Colleague Letter GEN-08-01 on the Information for Financial Aid Professionals (IFAP) Web site. For information on Federal Student Aid's Regulatory and Legislative Update – Spring 2008 training workshops, which will include a CCRAA module, refer to Dear Colleague Letter ANN-08-02 on the IFAP Web site.

April 10, 2008 TEACH Grant Implementation and Processing Webinar for Schools

In Dear Colleague Letter ANN-08-03 on the IFAP Web site, Federal Student Aid announced its first TEACH Grant Implementation and Processing Webinar for school financial aid administrators and their staff. This one hour and thirty minute webinar will be offered on *Thursday, April 10, 2008 from 2:00 – 3:30 P.M. (ET).*

Federal Student Aid has posted initial communications about the operational implementation of the TEACH Grant Program on the IFAP Web site. As Federal Student Aid works over the next several months to fully implement functionality for processing TEACH Grant awards, it will post additional communications about the necessary updates to systems, software, and technical documentation. In addition to posted communications, Federal Student Aid is presenting this webinar as another opportunity for school financial aid administrators and their staff to learn more about the operational implementation of the TEACH Grant Program and to prepare for that implementation.

The topics that Federal Student Aid will cover in the TEACH Grant Implementation and Processing Webinar are as follows:

- Legislative and regulatory update

- School and student eligibility

- Processing information

- Implementation schedule

Registration is required for this webinar. For complete information about the webinar, including registration information, refer to ANN-08-03.

April 21, 2008 TEAH Grant NPRM Comment Deadline

The Department of Education (the Department) published a Notice of Proposed Rulemaking (NPRM) for the TEACH Grant Program in the Federal Register on March 21, 2008 (73 FR 15336). Comments on this NPRM must be submitted to the Department on or before April 21, 2008. The NPRM will be available on the IFAP Web site shortly.

Reminders

Federal Student Aid has posted updated sections of the 2008-2009 COD Technical Reference in regard to the processing of TEACH Grant awards and will continue to do so. If you have any questions about these materials, contact the COD School Relations Center.

In addition, Federal Student Aid will post numerous communications about the operational implementation of CCRAA provisions, including the TEACH Grant Program for the 2008-2009 Award Year. All participants in the Federal student aid programs should continue to refer to the IFAP Web site for applicable guidance and information.

NEW!

Preventing a Potential Overaward Process (POP) Situation (03/21/08)
As explained in the COD Technical Reference, a POP situation occurs when a Pell Grant disbursement is submitted by multiple schools, and causes a student's total Pell Grant eligibility used to exceed 100%. At that point, a Multiple Reporting Record (MRR) report is sent to all schools involved. If the overpayment is not resolved within 30 calendar days after the COD POP start date, the COD System will generate a Negative Disbursement and reduce the student's Pell Grant disbursement to zero ($0.00) for all of the student's Pell Grant disbursements at all schools for that award year.

Prior to submitting Pell Grant disbursements, schools should perform several actions that will help them make eligibility and disbursement determinations that will not result in an overaward. These actions are described in detail below.

1. Review the COD and National Student Loan Data System (NSLDS) Web Sites:
   These sites contain important information regarding the percentage of Pell Grant eligibility used, Pell Grant disbursement amounts, and information regarding a student's Pell Grant history.

2. <u>Participate in the NSLDS Student Transfer Monitoring Process:</u>
   The NSLDS Student Transfer Monitoring process offers features that allow schools to inform NSLDS of its transfer students. NSLDS also monitors the students' financial aid history and alerts schools about a change in the students' financial aid that could impact their eligibility at a new school.

For questions regarding NSLDS and the NSLDS Student Transfer Monitoring Process, contact NSLDS Customer Service at 800/999-8219 or e-mail nslds@ed.gov. For questions regarding the COD Web site, contact the COD School Relations Center.

2005-2006 Pell Grant CFL Reduction To G5 Net Drawdown On March 19, 2008 (03/20/08)
On March 19, 2008, Federal Student Aid reduced the Federal Pell Grant (Pell Grant) 2005-2006 Award Year Current Funding Level (CFL) to equal the Net Drawdown amount reflected in the COD System and in G5 (formerly GAPS). This action applies to schools that had a CFL greater than their G5 Net Drawdown. As noted in the warning message that we sent to affected schools on February 20, 2008, this action was taken because disbursements and disbursement adjustments for the 2005-2006 Award Year should have already been submitted to the COD System for processing. This reduction affected approximately 500 schools.

A school affected by the March 19, 2008 CFL reduction to G5 Net Drawdown will be impacted as follows:

- Receive a text message (PGTX06OP Message Class) in the school's Student Aid Internet Gateway (SAIG) mailbox notifying the school of the reduction.

- Receive a new Electronic Statement of Account (ESOA) that reflects the reduction.

- See a change in the school's CFL that reflects the reduction.

- See a change in the school's authorization in G5 that reflects the reduction.

Note: The amount of the reduction will equal the difference between the school's CFL and Net Drawdown amount. This means that the amount of the reduction could equal as little as $0.01.

If you have any questions regarding the 2005-2006 CFL reduction to G5 Net Drawdown or need to have funding reinstated, contact the COD School Relations Center.

Additional System Functionality For 2008-2009 Award Year Implemented (03/17/08)
Federal Student Aid is pleased to announce the implementation of additional COD System functionality during the period March 14-16, 2008. These system changes support the processing of Academic Competitiveness Grant (ACG), National Science and Mathematics Access to Retain Talent Grant (National SMART Grant), Federal Pell Grant (Pell Grant), and William D. Ford Federal Direct Loan (Direct Loan) awards for the 2008-2009 Award Year. Federal Student Aid implemented all of the system changes described in a March 4, 2008 Electronic Announcement on the Information for Financial Aid Professionals (IFAP) Web site.

Thank you for your understanding and patience while Federal Student Aid completed this important activity. If you have any questions about the system changes, contact the COD School Relations Center.

SAIG Message Class File Update (03/10/08)
On March 14, 2008, Federal Student Aid sent the message class "MESSAGTB" via the Student Aid Internet Gateway (SAIG) to all user mailboxes. The EDconnect transmission software will automatically request, download, and import this new message class table with your next connection to the SAIG network. Once the MESSAGTB file has been imported, the new message class table will be used from that point forward.

Federal Student Aid has added message classes for the Central Processing System (CPS), the Common Origination and Disbursement (COD) System, and the Direct Loan Servicing System (DLSS) to the new message class table. As explained in a March 7, 2008 Electronic Announcement on the Information for Financial Aid Professionals (IFAP) Web site, the COD System updates to the new message class table are as follows:

- The new message class table reflects the standard COD System messages classes rolled over from 2007-2008. These messages classes are fully outlined in Volume II, Section 2 and Volume III, Section 2 of the 2008-2009 COD Technical Reference.

- Federal Student Aid has added five new 2008-2009 COD System message classes for the Teacher Education Assistance for College and Higher Education (TEACH) Grant Program to the new message class table. These 2008-2009 TEACH Grant message classes are fully outlined in Volume II, Section 2 of the 2008-2009 COD Technical Reference and will be in use after the June 27-28, 2008 implementation of additional COD System functionality to support TEACH Grant origination and disbursement processing. The message classes are as follows:

Message Class	Description
CRTHMYIN	TEACH Common Record Documents
CRTHMYOP	TEACH Common Record Response
CRTH09IN	TEACH 08-09 Common Record Documents
CRTH09OP	TEACH 08-09 Common Record Response
CRAT09OP	ATS Acknowledgement

  Note: As explained above, these 2008-2009 TEACH Grant message classes will be in use after the June 27-28, 2008 COD System implementation. If a school submits the CRTHMYIN (TEACH Common Record Documents) and CRTH09IN (TEACH 08-09 Common Record Documents) message classes to the COD System prior to June 28, 2008, they will *not* be processed.

For complete information about the new message class table, refer to the March 7th Electronic Announcement. A message containing this same information was sent to schools' SAIG mailboxes.

ACG and National SMART Grant Resources (03/21/08)
As a reminder, the Department of Education (the Department) has posted a number of Dear Colleague Letters and Electronic Announcements that communicate regulatory, policy, and operational information related to the implementation of the Academic Competitiveness Grant (ACG) and National Science and Mathematics Access to Retain Talent Grant (National SMART Grant) programs. In addition, Federal Student Aid has updated the 2006-2007 COD Technical Reference, the 2007-2008 COD Technical Reference, and posted the 2008-2009 COD Technical

Reference. A school should refer to the communications posted on the Information for Financial Aid Professionals (IFAP) Web site and to the 2006-2007, 2007-2008, and 2008-2009 COD technical references for complete information about the ACG and National SMART Grant programs.

More specifically, the 2006-2007, 2007-2008, and 2008-2009 COD technical references cover all aspects of the operational implementation of the ACG and National SMART Grant programs. This includes information on the following key aspects of ACG and National SMART Grant processing:

- o Financial Award ID and Financial Award Number (Award Sequence Number)
  Volume II, Section 1 "Implementation Guide"

- o Citizenship and Student Level Code
  Volume II, Section 1 "Implementation Guide"

- o Message Classes
  Volume II, Section 2 "Message Classes"

- o Common Record Layout
  Volume II, Section 3 "Common Record Layout"

- o Reports Generated by COD System
  Volume VI, Section 8 "COD Reports"

- o Eligibility/Payment Reason and Rigorous High School Program Code for ACG
  Volume VI, Section 9 "Rigorous Secondary School Programs of Study, and Eligible Majors"

- o Major/Classification of Instructional Program (CIP) Code for National SMART Grant
  Volume VI, Section 9 "Rigorous Secondary School Programs of Study, and Eligible Majors"

If your school needs help locating information related to the operational implementation of the ACG and National SMART Grant programs, contact the COD School Relations Center.

Note for EDExpress Users: Volume III of the 2006-2007, 2007-2008, and 2008-2009 COD technical references provides additional guidance for schools that use EDExpress in combination with another system. If your school needs help locating information related to EDExpress, contact CPS/SAIG Technical Support at 880/330-5947 or by e-mail at CPSSAIG@ed.gov.