



# COD Processing Update

March 30, 2012

## NEWS/UPDATES

- **Availability of EExpress for Windows 2012-2013, Release 2.0 (03/30/12)**

Federal Student Aid is pleased to announce the posting of EExpress for Windows 2012-2013, Release 2.0, on the Department's Federal Student Aid Download ([FSAdownload](#)) Web site, located at <https://www.fsadownload.ed.gov>. Release 2.0 adds Federal Pell Grant (Pell Grant), Teacher Education Assistance for College and Higher Education (TEACH) Grant, and William D. Ford Federal Direct Loan (Direct Loan) functionality for the 2012-2013 award cycle.

For complete information on Release 2.0, refer to [the March 29, 2012 Electronic Announcement](#) posted on the IFAP Web site.

- **Guidance for EExpress 2012-2013 Direct Loan Users to Exclude Subsidized Loan Eligibility for Graduate and Professional Students and Update Interest Rebate Calculation (03/30/12)**

As a result of the Budget Control Act (BCA) of 2011, two major changes impacting William D. Ford Federal Direct Loan (Direct Loan) processing are being implemented in 2012. First, Direct Subsidized Loans can no longer be awarded to graduate and professional students (college grade level 6 and 7) if the loan period begins on or after July 1, 2012. Second, the up-front interest rebate for all Direct Loan awards has been eliminated if the earliest disbursement date is on or after July 1, 2012.

In [a March 29, 2012 Electronic Announcement](#) posted on the IFAP Web site, Federal Student Aid provides guidance about these changes specifically for EExpress 2012-2013 Direct Loan Users.

- **2009-2010 National SMART Grant CFL Reduction To G5 Net Drawdown Warning Message (03/28/12)**

At this time, all National Science and Mathematics Access to Retain Talent Grant (National SMART Grant) funds for the 2009-2010 Award Year should have been disbursed to students. In general, schools are to submit National SMART 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 March 27, 2012**

On March 27, 2012, Federal Student Aid sent a message to schools that have a G5 National SMART 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 National SMART Grant CFL will be reduced to the G5 Net Drawdown if the CFL is still greater than the G5 Net Drawdown on April 11, 2012. When the actual reduction occurs on April 11<sup>th</sup>, 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 March 27, 2012 warning message to an affected school's Student Aid Internet Gateway (SAIG) mailbox in the message class SGTX10OP. 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 April 11, 2012.

This same information is posted in a [March 28, 2012 Electronic Announcement](#) on the IFAP Web site. If you have questions about the 2009-2010 National SMART Grant CFL reduction to G5 Net Drawdown, contact the COD School Relations Center.

• **First Pell Grant Administrative Cost Allowance Payments for 2011-2012 (03/27/12)**

Federal Student Aid began processing the first Pell Grant Administrative Cost Allowance (ACA) payments for the 2011-2012 Award Year on March 26, 2012. Schools will begin to see these payments deposited directly into their bank accounts over the next few weeks.

For complete information about these ACA payments, refer to the [March 27, 2012 Electronic Announcement](#) that is posted on the IFAP Web site.

## CURRENT ISSUES

### DIRECT LOANS

#### **Changes to Award Maintenance on Direct PLUS Loans with Denied or Pended Credit Decision (03/23/12)**

As explained in an attachment to a [March 2, 2012 Electronic Announcement](#) on the Information for Financial Aid Web site, we recently implemented a change to the Common Origination and Disbursement (COD) System to allow maintenance to Direct PLUS Loan awards with a denied or pended credit decision. Currently, when the existing denied or pended credit decision is more than 90 days old, **any change** made to the Direct PLUS Loan award, including reducing the award to zero, will prompt another credit check. As a result, another inquiry will be recorded on the borrower's credit record and the borrower may receive an additional adverse credit history letter.

We plan to modify the COD System by March 30, 2012 to prevent the additional credit check from being performed **except** in cases where the school is changing the borrower's Social Security Number.

We apologize for the inconvenience this issue may cause borrowers and schools. If you have additional questions, contact the COD School Relations Center.

### GRANTS

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

## REMINDERS

### **COD Computer-Based Training (03/30/12)**

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 (03/30/12)**

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.

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.

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

**Contact Information:** If you have questions, 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).