COD System Changes for the 150% Direct Subsidized Loan Limit
Attachment to April 2014 Electronic Announcement

In this attachment, we highlight the Common Origination and Disbursement (COD) System changes specific to the 150% Direct Subsidized Loan Limit. Information about other COD System changes that will be implemented during the April 11-14, 2014 period is posted in a separate Electronic Announcement on the Information for Financial Aid Professionals (IFAP) Web site.

We cover the information in the following order:

- High-Level Summary of COD System Processing for the 150% Limit
- New Required Tags for Direct Loan Awards
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- Edits
- Reports
- COD Web Site – Direct Subsidized Loan Usage Page and SULA Request Page
- Information about Enhancements to Other Federal Student Aid Systems
- Other 150% Direct Subsidized Loan Limit Resources

<u>High-Level Summary of COD System Processing for the 150% Limit</u>

In June 2013, we began identifying for schools first-time borrowers who are subject to the 150% time limit by adding a new Subsidized Usage Limit Applies (SULA) field to the COD System. We also added COD Warning Edit 200 that is returned in the response to the school when a borrower has the SULA field set to "Y." During the period April 11-14, 2014, we will further modify the COD System to begin full evaluation of incoming Direct Subsidized Loans for the 150% time limit and a borrower's remaining eligibility for Direct Subsidized Loans under the 150% time limit.

Using information provided in Common Record or via the COD Web site, the COD System will calculate a subsidized usage period for each Direct Subsidized Loan originated for first-time borrowers. The subsidized usage period generally will be calculated as the period of time that the Direct Subsidized Loan is intended to cover (the loan period length) in proportion to the period to which the annual loan limit applies (the academic year length). The COD System will then sum the subsidized usage periods for each Direct Subsidized Loan to calculate a total subsidized usage period.

The COD System will send to schools the calculated values related to subsidized usage. The COD System will provide the subsidized usage period and the sum of the subsidized usage periods to the National Student Loan Data System (NSLDS).

In addition, the COD System will reject a Direct Subsidized Loan for borrowers who have reached their maximum subsidized eligibility period for the program for which the loan is intended.

To perform the required processing related to the 150% limit, we will modify the COD System in a number of ways, including the addition of new tags/fields on incoming records and outgoing responses, addition of new system edits as well as modifications to several existing system edits, addition of a new school report as well as modifications to several existing school reports, and a new COD Web site page. We explain these changes further in the sections below.

IMPORTANT: Beginning April 13, 2014, schools will begin reporting enrollment information to the COD System. Even though enrollment information will now be included in Direct Loan records submitted to the

COD System, schools *must continue* to follow the enrollment reporting processes to NSLDS. Unlike NSLDS, to which enrollment data is submitted on a regular basis, the enrollment information submitted to the COD System is only required at the time each Direct Loan award or disbursement is submitted.

EDExpress Processing

EDExpress for Windows 2014-2015, Release 2.0, scheduled for posting on April 14, 2014 adds full Pell Grant functionality and limited Direct Loan and Teacher Education Assistance for College and Higher Education (TEACH) Grant functionality for the 2014-2015 award cycle. EDExpress 2014-2015, Release 3.0, scheduled for posting in June 2014, will add critical updates to the Direct Loan and TEACH Grant modules. It is important to note that while users may create and save TEACH Grant or Direct Loan records using Release 2.0, they should **not** originate or export TEACH Grant or Direct Loan data to the COD System using Release 2.0. Additional information about Direct Loan and TEACH Grant functionality in the upcoming EDExpress 2014-2015 releases will be provided in forthcoming announcements.

Reminders about 2013-2014 Processing

As noted earlier, since June 2013, we have been identifying borrowers with the SULA field, but 150% limit calculations for such borrowers have not been performed. Beginning April 14, 2014, we will send the appropriate 150% limit calculations for those borrowers. Schools will receive the information in a new system-generated response (message class: CRSUxxOP).

As explained in a [150% Direct Subsidized Loan Limit Electronic Announcement #10](#), schools must identify Direct Subsidized Loans made to first-time borrowers and first disbursed on or after July 1, 2013 that were received for attendance in a Non-Credential Teacher Certification Program and report the loan information to the COD System by sending a special Teacher Certification Program Ad-Hoc Reporting File. Currently, schools can send the special file to the COD System via the Student Aid Internet Gateway (SAIG) using the message class NCTCMYIN. Beginning April 14, 2014, we will begin processing those files and will return system-generated responses (message class: CRSUxxOP) with the appropriate 150% limit calculations.

New Required Tags for Direct Loan Awards

Schools must begin to use COD Schema 4.0a to report additional tags for Direct Loan awards for the 2014-2015 Award Year and forward. These tags will be used in the 150% limit calculations. The new tags are list below. More detailed information about these tags is provided in the [2014-2015 COD Technical Reference](#) (Volume II, Sections 1 and 3).

<PublishedPgmLengthYears>	<ProgramCredentialLevel>
<PublishedPgmLengthMonths>	<EnrollmentStatus>
<PublishedPgmLengthWeeks>	<ProgramCIPCode>
<WeeksProgramsAcademicYear>	<PaymentPeriodStartDate>
<SpecialPrograms>	

The COD Web site screens will also be modified to include these fields.

Note: While the <ProgramofStudy> tag remains as a valid tag in the COD XML Common Record 4.0a Schema, the COD System will ignore this tag if it is submitted on an incoming award for 2014-2015 and forward.

Impacts to Pell Grant and TEACH Grant Awards

In some cases, the new tags may be included on other award types, including Pell Grant and TEACH Grant awards. In those cases, the COD System will process as follows:

- *Pell Grant Awards* – The COD System will accept the new tags on Pell Grant awards, but the tags will be ignored and will not be used for Pell Grant processing in any way.

- *TEACH Grant Awards* – The COD System will accept the new tags on TEACH Grant awards. The <EnrollmentStatus> tag and <CIPCode> tag will be required when a TEACH Grant award is submitted for the first time.

New Tags in Common Record Response

The COD System will begin to return new tags in the Common Record responses sent to schools. The new tags will provide the school information about and calculations related to the 150% limit for the borrower(s) and/or the award(s) submitted in a batch. The new 150%-related tags are listed below. Additional information about the tags can be found in the COD Technical Reference and the COD XML Common Record 4.0a Schema.

Tag Name	Response Block
SubsidizedUsageLimitApplies*	Person *will be returned on either a DLS *or* DLU award type for Award Year 2014-2015 and forward.
SumActualSubUsagePeriods	Person
SumActualNonCredTeacherCertSubUsagePeriods	Person
CalculatedPublishedPgmLengthYears	Award (DLS Type)
MaxSubEligibilityPeriod	
AcademicYearLength	
LoanPeriodLength	
ActualSubUsagePeriod	
AnticipatedSubUsagePeriod	
SumAnticipatedSubUsagePeriods	
RemainingActualSubEligibilityPeriod	
RemainingAnticipatedSubEligibilityPeriod	
ActualNonCredTeacherCertSubUsagePeriod	
AnticipatedNonCredTeacherCertSubUsagePeriod	
RemainingActualNonCredTeacherCertSubEligibilityPeriod	
RemainingAnticipatedNonCredTeacherCertSubEligibilityPeriod	
SumAnticipatedNonCredTeacherCertSubUsagePeriods	

New System-Generated Response

In addition to the Common Record response, we will begin to send 150%-related tags in a new system-generated response (message class: CRSUxxOP) for other Direct Subsidized Loan awards on file if there is a change in the value of *any* of the above tags for those other awards. For example, a school has a borrower with two Direct Subsidized Loan awards accepted on the COD System; these are awards #001 and #002. When the school submits another Direct Subsidized Loan award (#003) for that borrower, the school will receive a Common Record response with the appropriate 150%-related tags for award #003. Assuming a change in at least one of the calculated subsidized usage values for the other loans, the school will also receive a system-generated response with updated 150%-related tags for awards #001 and #002.

Schools may also receive a system-generated response if other activity, such as a loan discharge or payment to servicer transaction, causes a change in the value of any of the tags.

System-generated responses will be sent once daily. Schools will also be able to request a system-generated response for a specific borrower via the SULA Request page on the COD Web site (see the COD Web site section below).

Edits

There will be eight new edits returned to schools on Common Record responses or via the COD Web site. In addition, existing COD Reject Edits 994 (Missing Value) and 996 (Invalid Value) will be returned in cases where required tags or information are not submitted (994) or the values submitted in a particular tag do not match the valid values associated with that tag (996).

The table below provides a summary of the new edits schools may receive when submitting Direct Loan or TEACH Grant awards and disbursements. More detailed information about these edits is provided in the 2014-2015 COD Technical Reference (Volume II, Section 4).

COD Reject Edit	Edit Message	Returned at the…
202	Cannot submit more than one tag for Published Program Length	Award Level
203	Incorrect Special Program submitted	Award Level
204	Incorrect Program CIP Code submitted	Disbursement Level
205	Payment Period Start Date is outside the Award Begin and End dates	Both Award and Disbursement Level
206	The Remaining Subsidized Eligibility Period is less than zero for this award	Award Level
207	The Remaining Subsidized Eligibility Period is less than zero for this award after this disbursement was approved from the Action Queue	Disbursement Level
208	Incorrect Student Level Code submitted	Award Level
209	Invalid value submitted for Weeks Programs Academic Year	Award Level

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Other Edit Changes

We will also modify COD Reject Edits 45 (Incorrect Award Dates) and 46 (Incorrect Academic Year Dates). Beginning April 14, 2014, we will allow the date range for the loan period or the academic year to be longer than 36 months. However, schools must continue to ensure that the begin and end dates are within the valid date ranges for the applicable award year.

In addition, COD Warning Edit 200 (150% Subsidized Usage Limit Applies to borrower) will be retired for the 2014-2015 Award Year and forward. Schools will continue to receive this warning edit for the 2013-2014 Award Year.

Reports

Beginning April 14, 2014, there will be a new report available to schools. The report will have specific information about the 150% limit. In addition, we will modify three existing reports to accommodate additional fields related to the 150% limit.

New Report

- ***Direct Subsidized Loan Usage Change Report***

  Beginning April 14, 2014, the Direct Subsidized Loan Usage Change Report will be available to schools. This report will provide a summary of subsidized usage values or Non-Credential Teacher Certification subsidized usage values for a borrower. The report will be a snapshot of data on the COD System at the time of generation. A change in value for any of the following tags will cause an award to be included on the Direct Subsidized Loan Usage Change Report:

  - MaximumSubsidizedEligibilityPeriod
  - ActualSubsidizedUsagePeriod
  - ActualNonCredTeacherCertSubsidizedUsagePeriod
  - AnticipatedSubsidizedUsagePeriod
  - AnticipatedNonCredTeacherCertSubsidizedUsagePeriod

  The Direct Subsidized Loan Usage Change Report will be generated weekly in a comma-delimited (CSV) format and will contain each Direct Subsidized Loan for which one of the above values changed during the previous week. It will be sorted ascending by Borrower SSN and ascending by Award Year. The report will be available in a school's Direct Loan Newsbox on the COD Reporting Web site.

  A school will be able to choose not to receive the report by selecting "Do Not Distribute" on the COD Web site's Report Selection page (under the School tab). If the school has no qualifying loans or if the school has chosen not to receive the report, the school will not receive a report for that week.

  Note: The Direct Subsidized Usage Change Report explained here ***will replace*** the current Direct Subsidized Loan Usage report. That report will no longer be produced as of April 14, 2014. All current reports (those produced prior to implementation) on the COD Reporting site will be removed in the fall of 2014.

Modified Reports

- *Direct Loan Rebuild* – 12 new fields will be added to the origination record and three new fields will be added to the disbursement record. The new fields will be added to the end of each record.

- *TEACH Grant Rebuild* – two new fields will be added to end of the disbursement record.

- *Duplicate Student Borrower Report* – Four new fields will be added to all report formats.

More detailed information about these reports is provided in the 2014-2015 COD Technical Reference (Volume VI, Section 8).

COD Web Site – Direct Subsidized Loan Usage Page and SULA Request Page

With the system implementation, we will add new pages on the COD Web site.

Direct Subsidized Loan Usage Page – The Direct Subsidized Loan Usage page will show a summary of subsidized usage information by loan for a borrower. Schools will be able to view the Direct Subsidized Loan Usage page from a link on the Person Direct Loan Information page. Schools will also be able to use the "Subsidized Usage Search" function (under Applicant Search on the left-hand navigation links) and search for a borrower by SSN. A school can export the information on the Direct Subsidized Loan Usage page to an Excel spreadsheet.

SULA Request Page – The SULA Request page will allow a COD Web site user to request subsidized usage information to be sent to the school. Schools will be able to request the most recent subsidized usage information for a specific borrower's loan or loans, and will receive that information via the new system-generated response. To make the request, a school user will use the SULA Request page (under the Batch tab). The user will be able to enter the borrower's SSN and then will be presented with the list of the borrower's awards at the school. The user will be able to select one or more of the awards and will receive a system-generated response with the 150% limit information for the selected awards.

Information about Enhancements to other Federal Student Aid Systems

In April 2014, we will also implement additional changes related to the 150% limit in NSLDS. Information about NSLDS changes will be provided in forthcoming communications on the IFAP Web site.

Also in April 2014, schools and students will begin to see 150% limit information on Institutional Student Information Records (ISIRs) and Student Aid Reports (SARs), respectively. For more information on Loan Eligibility changes, refer to the 2014-2015 Summary of Changes for the Application Processing System Guide.

Other 150% Direct Subsidized Loan Limit Resources

As noted earlier, this attachment provides a high-level summary of changes to the COD System that will be implemented during the period April 11-14, 2014. More information about the 150% limit can be found in the following resources:

- 150% Information Page on the IFAP Web site
- 2014-2015 COD Technical Reference and COD Common Record XML Schema 4.0a
- Final NSLDS Enrollment Reporting File Layout