



April 23, 2010

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.

Direct Loan Program

COD News

Impact on COD Processing April 24-25, 2010 (04/21/10)

Federal Student Aid is planning several system maintenance activities during the period April 24-25, 2010. In addition, the Student Aid Internet Gateway (SAIG) will be unavailable from 3:00 A.M. until 11:00 A.M. (ET) on April 25, 2010 due to its regular Sunday morning maintenance. These activities will result in outages of certain COD System functionality for a period of time.

An explanation of how these activities will impact COD System availability and processing follows below. Please review this information to determine if processing at your school will be affected.

StudentLoans.gov Web Site Maintenance

On *Saturday, April 24, 2010*, we plan to conduct maintenance on the [StudentLoans.gov Web site](#) from 2:00 A.M. until 7:00 A.M. (ET). While we do not anticipate any disruption to student or parent users during the scheduled maintenance window, there could be very brief interruptions in availability. We regret any inconvenience to our StudentLoans.gov customers.

Routine COD System Maintenance

On *Sunday, April 25, 2010*, we will perform system maintenance on the COD System. The impact to COD users is outlined below.

- Users will not be able to submit or retrieve data via the [COD Web site](#) between 1:30 A.M. and 9:00 A.M. (ET).
- An individual will not be able to complete online Direct Loan Entrance Counseling, complete a new Master Promissory Note (MPN) electronically, or retrieve an existing MPN that was completed electronically via the [StudentLoans.gov Web site](#) between 1:30 A.M. and 11:00 A.M. (ET).
- An individual will not be able to complete TEACH Grant Initial and Subsequent Counseling, complete a new TEACH Grant Agreement to Serve (ATS), or retrieve an existing ATS via the [TEACH Grant Web site](#) between 1:30 A.M. and 11:00 A.M. (ET).
- Between 1:30 A.M. and 11:00 A.M (ET), batches submitted by schools via the SAIG will be held or schools will receive an error message informing them that the SAIG is unavailable and that the data must be transmitted at a later time.



Contact Information

Federal Student Aid appreciates your patience and understanding as it completes this important activity. If you have any questions about the COD System, the StudentLoans.gov Web site, or the TEACH Grant Web site, contact the COD School Relations Center. If you have any questions about the SAIG, contact CPS/SAIG Technical Support at 800/330-5947 or by e-mail at CPSSAIG@ed.gov.

Master Promissory Note and Entrance Counseling Search Issues (4/22/10)

Federal Student Aid has identified several issues when schools search for Direct Loan Master Promissory Notes (MPNs) or Direct Loan Entrance Counseling results via the [COD Web site](#).

Issue 1: MPN Search by SSN-The search results do not return all MPNs associated with the student.

The search results should include any MPNs from any school associated with a student. Federal Student Aid has determined that in some cases, a search by student SSN is not pulling all MPNs associated with that student. For example, the search results will not always include a Direct PLUS Loan MPN associated with that student. In other cases, no search results are returned at all, even if an MPN is on file.

Issue 2: MPN Search by Date Range-The search results of more than 100 records do not display correctly and school cannot move to “Page 2” of the results.

The search results should include all MPNs within the date range. Federal Student Aid has determined that a date range search will only display the first 100 records and the school receives an error message when it attempts to view results on “Page 2”.

Issue 3: Direct Loan Entrance Counseling date range search is unavailable.

Federal Student Aid has determined that the date range search functionality for Direct Loan Entrance Counseling is not working correctly. As a result, the functionality has been disabled temporarily. **Note:** On the Entrance Counseling search screen the date range option is still displayed for users; however TEACH Grant is the only option in the drop-down menu at this time.

Federal Student Aid is working to resolve these issues as soon as possible and will provide updates as more information becomes available. We will post these updates through the COD Processing Update.

In the meantime, schools can use a date range or SSN batch search (look at the “EC” batches for Entrance Counseling and “PN” batches for MPNs) to locate the student’s information.

We apologize for any inconvenience these issues cause schools. If you have questions, contact the COD School Relations Center.



Weekly Reminders



COD Computer-Based Training (04/23/10)

Federal Student Aid takes this opportunity to remind the community of the availability of the COD Computer-Based Training (CBT). The COD CBT includes enhancements that have been made to the COD System, the [COD Web site](#), and associated Web sites and software products through June 27, 2009.

The COD CBT consists of component simulations and CBTs. Each COD CBT component is explained below. 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](#).

Note: With the implementation of the [StudentLoans.gov Web site](#) at the end of March 2010, the three electronic Master Promissory Note (MPN) simulations no longer reflected the process for electronically completing Direct Loan MPNs and have been removed. We will post updated electronic MPN simulations when we next update the full version of the COD CBT.

The components of the COD CBT are as follows:

COD System Simulations – The COD System Simulations offer lessons that explain the [COD Web site](#) screens and functionality available to a school administrator. There are 14 lessons with text to guide a user through each area of the [COD Web site](#). By entering fictitious data, the user can explore basic navigation and functions of the [COD Web site](#) and practice locating and creating information in a safe environment that includes tips for assistance.

Direct Loan Reports CBT – The Direct Loan Reports CBT includes several sections that explain the COD reports a school can use to assist with the administration of and reconciliation process for William D. Ford Federal Direct Loan (Direct Loan) awards.

Grant Reports CBTs – The Grant Reports CBTs are four separate lessons that explain the COD reports a school can use to assist with the administration of and reconciliation process for Academic Competitiveness Grant (ACG), Federal Pell Grant (Pell Grant), National Science and Mathematics Access to Retain Talent Grant (National SMART Grant), and Teacher Education Assistance for College and Higher Education (TEACH) Grant awards.

Direct Loan (DL) Tools Simulation – The DL Tools Simulation demonstrates how to use the DL Tools software to assist with the reconciliation process for Direct Loan awards. Although the simulation can be used both by schools that use the EDEExpress for Windows software and schools that do not use this software, the simulation is especially useful for schools that do not use the EDEExpress software on a regular basis but are interested in a Direct Loan reconciliation resource.

TEACH Grant Web Site Simulation – The TEACH Grant Web site Simulation guides the user through the [TEACH Grant Web site](#) and includes a step-by-step walk through of the process for completing TEACH Grant counseling and completing a TEACH Grant Agreement to Serve (ATS).



If you have questions or comments about the COD CBT, contact the COD School Relations Center. If you e-mail your question or comment to CODSupport@acs-inc.com, please include “COD CBT Question/Comment” in the subject line.



Grant Programs

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

COD News



2009-2010 ACG Deobligation Due to No Corresponding Pell Grant Warning Message (04/23/10)

On April 22, 2010, Federal Student Aid began processing a message to schools that have reported 2009-2010 Academic Competitiveness Grant (ACG) actual disbursements for a student who does not have a 2009-2010 Federal Pell Grant (Pell Grant) actual disbursement recorded in the COD System. The message is a warning that these disbursements will be considered overawards and reduced to a zero dollar amount (\$0.00), even if the disbursements were previously accepted in the COD System. The reduction of the affected disbursements is scheduled to occur on May 5, 2010.

Federal Student Aid sent the April 22, 2010 warning message to schools' Student Aid Internet Gateway (SAIG) mailboxes in the message class AGTX10OP. Additionally, Federal Student Aid sent a file of student records reported to the COD System that do not have a corresponding 2009-2010 Pell Grant actual disbursement in the Reconciliation Report message class AGRC10OP. Schools that receive the warning message should review the accompanying Reconciliation Report and, if applicable, report 2009-2010 Pell Grant disbursements for affected students before May 5, 2010.

Note Regarding Exception Process for No Corresponding 2009-2010 Pell Grant Due to R2T4 Calculation:

Some of the student records included in the Reconciliation Report may be for students who do not have a corresponding Pell Grant for the 2009-2010 Award Year due to the documented full repayment of the Pell Grant as a result of a Return of Title IV Funds (R2T4) calculation. A school can inform Federal Student Aid of the student records to which this exception applies by calling the COD School Relations Center by May 3, 2010. A customer service representative will collect the following information from the school via the phone:

- School's Name
- School's Pell ID and G5 Award Number
- Student's First and Last Names
- Student's Social Security Number (SSN)
- Student's Grade Level
- ACG Award ID



- ACG Award Amount
- ACG Award Year-to-Date Disbursement Amount

Upon notification that an R2T4 exception applies, Federal Student Aid will exclude the applicable student records from the reduction scheduled for May 5, 2010.

For complete information, refer to [the Electronic Announcement that will be posted on the IFAP Web site](#). If you have questions about the warning message or need to report an R2T4 exception (by May 3, 2010 as explained above) contact the COD School Relations Center.

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StudentLoans.gov Web Site Maintenance

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2007-2008 ACG CFL Reduction To G5 Net Drawdown On April 21, 2010 (04/22/10)

On April 21, 2010, Federal Student Aid reduced the Academic Competitiveness Grant (ACG) 2007-2008 Award Year Current Funding Level (CFL) to equal the Net Drawdown amount reflected in the COD System and in G5. 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 March 11, 2010, this action was taken because disbursements and disbursement adjustments for the 2007-2008 Award Year should have already been submitted to the COD System for processing. This reduction affected approximately 160 schools.

A school affected by the April 21, 2010 CFL reduction to G5 Net Drawdown will be impacted as follows:

- Receive a text message (AGTX08OP 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 questions about the 2007-2008 CFL reduction to G5 Net Drawdown or need to have funding reinstated, contact the COD School Relations Center.

2009-2010 Pell Grant Deobligation Due To Verification Status "W" (04/21/10)

On April 20, 2010, Federal Student Aid deobligated 2009-2010 Award Year Federal Pell Grant (Pell Grant) disbursements that did not have a verification status updated from "W" to a valid status of "V" or "S". As noted in the warning message that Federal Student Aid sent to affected schools on April 6, 2010, these disbursements were considered overawards and reduced to a zero dollar amount (\$0.00), even though the disbursements were previously accepted in the COD System. This deobligation affected Pell Grant disbursements at approximately 365 schools.

A school affected by the deobligation will receive or see the following information:

- Receive a PGTX (PGTX10OP message class) file in the school's Student Aid Internet Gateway (SAIG) mailbox indicating the number of students and total amount of the decrease
- Receive a system-generated negative disbursement file (CRND10OP message class/ND document type)
- Receive a new Electronic Statement of Account (ESOA) that reflects the decrease unless there are other offsetting increase adjustments



- See a change in the school's Current Funding Level (CFL) that reflects the reduced disbursements

Note: This deobligation process will not affect a school that did not have students with a verification status of “W” just prior to April 20, 2010.

A school affected by the deobligation should carefully review the information below.

Verification Completed or Not Required

If verification has been completed as required or is not required and a school believes a student's 2009-2010 disbursement should not have been reduced to zero, the school must complete the following steps in this order:

- 1) The school must send an update to the verification status of the award, and the COD System must accept the update.
- 2) Once the verification status is updated to “V” or “S”, the school may submit the actual disbursement (Disbursement Release Indicator or DRI equals “True”) for the correct amount to the COD System for processing.

Notes:

- For the conditions under which each verification status code should be used, refer to [the September 28, 2007 Electronic Announcement posted on the Information for Financial Aid Professionals \(IFAP\) Web site](#)
- In the following two cases, it is acceptable for the verification status code field to be blank:
 - If the student was not selected for verification or if a selected transaction was received by the school after the student was no longer enrolled and the school has reported the verification status code as “W”, the school should change the “W” to blank (nil = “True”).
 - If the student was not selected for verification or if a selected transaction was received by the school after the student was no longer enrolled and the school has reported no verification status code to date, the school does not need to submit a verification status code and should leave the field blank (nil = “True”).
- The school can perform steps 1 and 2 above in the same submission to the COD System if reported in the same student record.

Verification Deadline

Some of the 2009-2010 disbursements that were reduced to zero (\$0.00) may have been for students who are still within the allowable timeframe for submitting verification documentation/completing the verification process as will be specified in a forthcoming “Notice of Deadline Dates for Receipt of Applications, Reports, and Other Records for the 2009-2010 Award Year.” This notice will be published in the [Federal Register](#) (and subsequently posted on the [IFAP Web site](#)).

If a school needs additional time to complete verification for an individual student in accordance with the allowable timeframe in the [Federal Register](#) notice, the school may resubmit a disbursement record with a value greater than zero (\$0.00) until September 30, 2010. After



September 30, 2010, the COD System will no longer accept “W” as a valid verification status code for 2009-2010 Pell Grant awards.

If you have any questions regarding the 2009-2010 Pell Grant deobligation of disbursements due to verification status “W,” contact the COD School Relations Center.

2007-2008 National SMART Grant CFL Reduction To G5 Net Drawdown Warning Message (03/29/10)

At this time, all National Science and Mathematics Access to Retain Talent Grant (National SMART Grant) funds for the 2007-2008 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 2007-2008 Award Year should have already been submitted to the Common Origination and Disbursement (COD) System for processing.

2007-2008 CFL Reduction to G5 Net Drawdown Warning Message Sent on March 25, 2010

On March 25, 2010, 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 2007-2008 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 2007-2008 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 28, 2010. When the actual reduction occurs on April 28th, 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 25, 2010 warning message to an affected school’s Student Aid Internet Gateway (SAIG) mailbox in the message class SGTX08OP. 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 2007-2008 Award Year as soon as possible but before April 28, 2010.

This same information is posted in [a March 26, 2010 Electronic Announcement on the IFAP Web site](#). If you have questions about the 2007-2008 National SMART Grant CFL reduction to G5 Net Drawdown, contact the COD School Relations Center.



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