



May 14, 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



UPDATED!

Impact on COD Processing May 15-16, 2010 [05/12/10 (Updated 5/14/2010)]

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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.

Routine COD System Maintenance

Federal Student aid will perform system maintenance on the COD System. The impact to COD users is outlined below.

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- An individual will not be able to complete online Direct Loan Entrance Counseling, complete a new Master Promissory Note (MPN) electronically, or complete a Direct PLUS Loan Request electronically via the [StudentLoans.gov Web site](#) between 9:00 P.M. (ET) on Saturday, May 15, 2010 and 12:00 P.M. (ET) on Sunday, May 16, 2010.
- 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 9:00 P.M. (ET) on Saturday, May 15, 2010 and 12:00 P.M. (ET) on Sunday, May 16, 2010.
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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.



Update on Operational Implementation of Increased Title IV Student Assistance to Children of Certain Deceased Members of the U.S. Military (05/14/10)

In an electronic announcement posted on [November 6, 2009 to the Information for Financial Aid Professionals \(IFAP\) Web site](#), Federal Student Aid provided background information and operational guidance on the statutory provisions for increased Title IV student financial assistance for a student whose parent or guardian died as a result of military service in Iraq or Afghanistan after September 11, 2001.

In a subsequent [electronic announcement posted on the IFAP Web site](#), Federal Student Aid provides updated information about the process it is using to identify eligible students under these provisions.

Master Promissory Note, Entrance Counseling, and PLUS Search Issues [(4/22/10) Updated 5/13/10]

Federal Student Aid has identified several issues when schools search for Direct Loan Master Promissory Notes (MPNs), Direct Loan Entrance Counseling results, or Direct PLUS Loan Requests 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.

Issue 4: Direct PLUS Loan Request (PLUS Acknowledgement) date range search is unavailable.

Federal Student Aid has determined that the date range search functionality for Direct PLUS Loan Requests is not working correctly. As a result, the functionality has been disabled temporarily. **Note:** In order to further research this issue, on May 13, 2010, Federal Student Aid also temporarily disabled the date range search on the PLUS Application Response Request Search page (under the Batch Search menu).

Federal Student Aid is working to resolve all of 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 the Batch Search page to locate the desired information. In the Batch Type drop-down box, a school can select “EC” for Entrance Counseling batches, “PN” for MPN batches, and “SP” for PLUS Request Acknowledgement batches.

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

Record Submission Due Date for 2008-2009 Direct Loan Program Year Closeout Electronic Announcement Released (05/05/10)

An [Electronic Announcement](#) was released to schools from the COD School Relations Center on May 4, 2010 and is posted on the Information for Financial Aid Professionals (IFAP) Web site. This announcement is the second in a series of Direct Loan closeout announcements that informs schools of the closeout deadline for the 2008-2009 Program Year.

If you would like to be added to or removed from the Direct Loan Electronic Announcement distribution list, please submit an e-mail to CODSupport@acs-inc.com with the subject line of “DL Electronic Announcement Distribution”.

Weekly Reminders



Reminder of Origination Fee Reduction for Direct Subsidized Loans and Direct Unsubsidized Loans (05/14/10)

As explained in a [February 4, 2010 Electronic Announcement](#) posted on the Information for Financial Aid Professionals (IFAP) Web site, the origination fee for Direct Subsidized Loans and Direct Unsubsidized Loans was reduced for 2010-2011. This announcement provides



operational guidance for schools and third party software providers on implementing these latest reductions in the origination fee.

Last year, many Direct Subsidized Loan and Direct Unsubsidized Loan awards rejected because the correct origination fee was not included with the award and/or was not used to calculate the award and its disbursements. For this reason, we want to remind schools of the previously provided guidance that is critical to successfully implementing the origination fee reduction for Direct Subsidized Loan and Direct Unsubsidized Loan awards.

Schools should refer to [the February 4, 2010 Electronic Announcement](#) for complete information about the origination fee reduction.

If your school needs assistance with COD System processing, including making changes to origination fees, contact the COD School Relations Center.



COD Computer-Based Training (05/14/10)

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

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Federal Pell Grant 2010-2011 Award Year Initial Authorization for Advanced Funded Schools (05/13/10)

We have begun processing the Federal Pell Grant (Pell Grant) Initial Authorization for the 2010-2011 Award Year, for schools that receive Pell Grant funds under the advanced funding method. A school's Initial Authorization, known in the Common Origination and Disbursement (COD) System as Current Funding Level (CFL), is determined based on a percentage of the disbursement data submitted and accepted during the 2009-2010 Award Year.

For the 2010-2011 Award Year, the Pell Grant appropriation has been supplemented with funds from the American Recovery and Reinvestment Act of 2009 (ARRA), Pub. L. 111-5. To comply with federal financial and accounting requirements of the ARRA, the funding of the Initial Authorization will be done in two parts as follows:

- On May 11, 2010, we generated an Electronic Statement of Account (ESOA) that lists the amount of a school's Initial CFL for the 2010-2011 Award Year and sent it to the school's Student Aid Information Gateway (SAIG) mailbox (Message Class PGAS11OP).
- Subsequent to the May 11, 2010 Initial CFL processing, we generated a second CFL increase and a second ESOA. We sent the second ESOA to the school's SAIG mailbox (Message Class PGAS11OP).

For complete information about the Federal Pell Grant 2010-2011 Award Year Initial Authorization for Advanced Funded schools, refer to [the May 13, 2010 Electronic Announcement that is posted on the IFAP Web site](#).

2009-2010 ACG Deobligation Due To No Corresponding Pell Grant (05/06/10)

On May 5, 2010, Federal Student Aid deobligated 2009-2010 Award Year Academic Competitiveness Grant (ACG) disbursements for students who did not have a 2009-2010 Federal



Pell Grant (Pell Grant) actual disbursement recorded in the COD System. As noted in the warning message that Federal Student Aid sent to affected schools on April 22, 2010, these ACG 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 ACG disbursements at approximately 379 schools.

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

- Receive an AGTX file (AGTX10OP message class) 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) in the school's SAIG mailbox
- Receive a new Electronic Statement of Account (AGAS10OP message class) in the school's SAIG mailbox 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

Notes:

- If all of the ACG recipients at a school had a corresponding 2009-2010 Pell Grant actual disbursement on May 5, 2010, the school was not affected by the May 5th deobligation process.
- Some ACG recipients do not have a corresponding 2009-2010 Pell Grant actual disbursement due to the documented full repayment of the Pell Grant as a result of a Return of Title IV Funds (R2T4) calculation. If a school informed the COD School Relations Center of the student records to which this exception applies, these student records were excluded from the May 5th deobligation process.

If you have any questions about the 2009-2010 ACG deobligation of disbursements due to no corresponding 2009-2010 Pell Grant actual disbursement, contact the COD School Relations Center.

Operational Implementation Guidance - Implementation of REVISED 2010-2011 Federal Pell Grant Payment and Disbursement Schedules (05/05/10)

In [Dear Colleague Letter P-10-03, posted to the Information for Financial Aid Professionals \(IFAP\) Web site on April 8, 2010](#), Federal Student Aid provided schools with revised payment and disbursement schedules for determining Federal Pell Grant (Pell Grant) awards for the 2010-2011 Award Year. These schedules *replace* the schedules that were published on January 13, 2010 and must be used for all 2010-2011 Pell Grant award calculations, including those for students who may have already been awarded based on the January 13, 2010 schedules.

Federal Student Aid has begun the work needed to modify our systems, Web and software products, technical documents, training materials, and publications to reflect the revised Pell Grant payment and disbursement schedules for the 2010-2011 Award Year.



At this time, we want to provide schools with high-level information about the impact on the Central Processing System (CPS), the ISIR Analysis Tool, the Common Origination and Disbursement (COD) System, and the EDExpress for Windows software and the anticipated completion dates for the system modifications.

For complete information about the implementation of the revised Pell Grant payment and disbursement schedules, refer to [the May 5, 2010 Electronic Announcement that is posted on the IFAP Web site](#).

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