

**Submitting Changes to Origination Fee Percentages and Disbursements:
Direct Subsidized Loans, Direct Unsubsidized Loans, and Direct PLUS Loan Awards
Attachment to June 2017 Electronic Announcement**

The table below reflects the origination fee percentages based on the first disbursement date for Direct Subsidized Loan, Direct Unsubsidized Loan, and Direct PLUS Loan awards.

For any loan disbursement for a loan where the first disbursement is/will be...	The origination fee percentage for Direct Subsidized Loans and Direct Unsubsidized Loans is...	The origination fee percentage for Direct PLUS Loans is...
on or after October 1, 2016 and before October 1, 2017	1.069	4.276
On or after October 1, 2017 and before October 1, 2018	1.066	4.264

NOTE: To avoid COD System edits and the need to make corrections after reporting actual disbursements, we recommend that schools, prior to October 1st, run a pending disbursement list either from the school’s financial aid software or from the Anticipated Disbursement Queue on the COD Web Site. Schools should look for any Direct Loan awards with first pending disbursements with a date prior to October 1 and with the former origination fees.

- If a disbursement will not be made, then reduce it to zero (\$0).
- If a disbursement was posted to a student’s account prior to October 1, but is not reported to the COD system, then report the disbursement.
- If a disbursement will post to a student’s account **after** October 1, and it is not reported to the COD System, then follow the guidance below for changing the origination fee for Direct Loan awards with only anticipated disbursements.

To make changes to the origination fee percentage for awards already accepted on the COD System, a school should complete the following actions:

For Direct Loan awards with only anticipated disbursements

Option 1

Step 1: Reduce the award amount and disbursements to \$0 to inactivate the original award.

Wait for an accepted acknowledgement.

Step 2: **Reactivate the original award** by submitting the following information, as applicable:

- A change to the origination fee amount and the origination fee percentage that corresponds to the origination fee percentage period;
- A change to the earliest disbursement date that corresponds to the origination fee percentage period; and/or

- An updated award amount and the appropriate disbursement amount(s).

Option 2

Step 1: Reduce the award amount and disbursements to \$0 to inactivate the original award.

Wait for an accepted acknowledgement.

Step 2: **Submit a new award** that includes all of the following information:

- The origination fee amount and an origination fee percentage that corresponds to the origination fee percentage period;
- An earliest disbursement date that corresponds to the origination fee percentage period; and
- The award amount and appropriate disbursement amount(s).

NOTE: For Direct PLUS Loans, if the credit check on file is more than 180 days in the past, a new credit check will be completed when the new award is processed. In addition, if the Direct PLUS Loan has an endorser, the borrower will need to complete a new Master Promissory Note and the endorser will need to complete a new Endorser Addendum.

For Direct Loan awards with at least one actual disbursement

Option 1

Step 1: Reduce the disbursement amount(s) to \$0 to inactivate the disbursement(s).

Wait for an accepted acknowledgement.

Step 2: Reduce the award amount to \$0 to inactivate the original award.

Wait for an accepted acknowledgement.

Step 3: Submit a change to the origination fee percentage and/or a change to the earliest disbursement date that corresponds to the origination fee percentage period.

Wait for an accepted acknowledgement.

Step 4: **Reactivate the original award** by submitting an updated award amount and the appropriate disbursement amount(s).

Option 2

Step 1: Reduce the disbursement amount(s) to \$0 to inactivate the disbursement(s).

Wait for an accepted acknowledgement.

Step 2: Reduce the award amount to \$0 to inactivate the original award.

Wait for an accepted acknowledgement.

Step 3: **Submit a new award** that includes all of the following information:

- The origination fee amount and an origination fee percentage that corresponds to the origination fee percentage period;
- An earliest disbursement date that corresponds to the origination fee percentage period; and
- The award amount and appropriate disbursement amount(s).

NOTE: For Direct PLUS Loans, if the credit check on file is more than 180 days in the past, a new credit check will be completed when the new award is processed. In addition, if the Direct PLUS Loan has an endorser, the borrower will need to complete a new Master Promissory Note and the endorser will need to complete a new Endorser Addendum.