

COD Processing Update

June 23, 2017

NEWS/UPDATES

- **Impact on COD Processing June 24-25, 2017 (6/23/17)**

Federal Student Aid is planning several system maintenance activities on June 24-25, 2017. In addition, the Student Aid Internet Gateway (SAIG) will be unavailable from 3:00 A.M. until 11:00 A.M. (ET) 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.

Extended COD System Maintenance

From 11:00 P.M. (ET) on Saturday, June 24, 2017 until 1:00 P.M. (ET) on Sunday, June 25, 2017—

- Users will not be able to submit or retrieve data via the [COD Web Site](#).
- Users will not be able to access the COD Reports area of the [COD Web Site](#).
- An individual will not be able to complete any actions or view loan correspondence via the [StudentLoans.gov website](#). This includes, but is not limited to, signing master promissory notes, complete counseling, any TEACH Grant processing flows, or submitting Loan Consolidation applications or Income-Driven Repayment Plan requests.
- 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 or the StudentLoans.gov website, contact the COD School Relations Center. If you have any questions about the SAIG, contact the CPS/SAIG Technical Support and the TFA Support Center at 800/330-5947 or by email at CPSSAIG@ed.gov.

- **FY 2018 Sequester Required Changes to the Title IV Student Aid Programs (6/20/17)**

On June 19, 2017, the Department of Education posted updated information about the impact of sequestration on the Title IV Student Aid Programs. For more information, refer to the [June 19, 2017 Electronic Announcement posted on the IFAP website](#).

- **REMINDER – How To Access Information From the COD Web Site File Share (6/8/17)**

As a reminder, Federal Student Aid shares student-specific information through uploaded files via the COD Web Site. We upload these files to the File Share section of the “File Share & Messages” page of the COD Web Site. Authorized school users are able to view and download the customized documents from the COD Web Site. Schools can access the “File Share & Messages” page by completing the following steps:

- 1) Log in to the COD Web Site.
- 2) Click on the “School” tab.
- 3) Enter the required school identifiers and click on “Search.” This will open the “School Summary Information” page.
- 4) Click on the “File Share/Messages” link on the left-hand side of the page to open the “File Share & Messages” page.

From the File Share section of the page, an authorized COD Web Site user will see a list of uploaded files. A user will click on the “Download” icon to download the File Share document to his or her computer. **Note:** Authorized school users are able to view and download the customized documents from the COD Web Site for a limited period of time.

The COD Web Site will only display File Share documents associated with the school’s Entity ID. If there are no files uploaded for a school, the File Share list will be blank. Schools will be notified via email (or in some cases via a phone call) when a File Share document is available.

- **2016-2017 Pell Grant Deobligation Due To Verification Status “W” (6/7/17)**

On June 6, 2017, Federal Student Aid deobligated 2016-2017 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”. On April 25, 2017, 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 183 schools.

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

- Receive a PGTX (PGTX17OP 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 (CRND17OP 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

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 email CODSupport@ed.gov.

Note: This deobligation process will not affect a school that did not have students with a verification status of “W” just prior to June 6, 2017.

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 2016-2017 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 \(IFAP\) website](#).
- 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 2016-2017 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 by the deadlines specified in the “Notice of Deadline Dates for Receipt of Applications, Reports, and Other Records for the 2016-2017 Award Year” published in the [Federal Register](#) on April 4, 2016. The [April 4, 2016 notice](#) is also posted on the IFAP website.

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 29, 2017. After September 29, 2017, the COD System will no longer accept “W” as a valid verification status code for 2016-2017 Pell Grant awards.

If you have any questions regarding the 2016-2017 Pell Grant deobligation of disbursements due to verification status “W,” contact the COD School Relations Center.

- **Full COD Common Record XML Schema Validation Begins March 2017 (5/31/17)**

Federal Student Aid will begin to fully validate all Common Record files against the published [COD Common Record XML Schema](#). This means that if a school submits a Common Record batch that does not conform to the published schema format, ***it will not be processed by the COD System and the school will receive COD Reject Edit 210.***

Currently, in some cases, Federal Student Aid is accepting Common Record batches that do not fully conform to the published schema format. In those cases, the batches are processed by the COD System, but we return COD Warning Edit 211 at the batch level. This warning edit provides the opportunity for a school to know that there is an XML coding issue. ***Beginning in March 2017, the warning edit will no longer be returned. Instead, the Common Record batch will be rejected at the batch level with COD Reject Edit 210, and the records included in the batch will not be processed.***

COD Testing Support – COD testing is available to allow schools to send test data to the COD System prior to processing and submitting production data using the new schema version. Detailed information about COD Testing can be found in a [November 18, 2016 Electronic Announcement](#). Additional testing documentation is found in Volume V of the COD Technical Reference.

In addition, schools can use an XML validator program to test its XML files prior to sending them to the COD System. Federal Student Aid provides step-by-step instructions for how a school can use an XML validator program with our posted [COD XML Schema files](#) on the IFAP website. For complete information about schema validation, refer to a [February 23, 2017 Electronic Announcement](#). If you have additional questions, contact the COD School Relations Center.

- **Interest Rates for Direct Loans First Disbursed between July 1, 2017 and June 30, 2018 (5/31/17)**

Under section 455(b)(8) of the Higher Education Act of 1965, as amended (HEA), interest rates on Direct Subsidized Loans, Direct Unsubsidized Loans, and Direct PLUS Loans that are first disbursed on or after July 1, 2013 are set according to a formula that is based upon a U.S. Department of the Treasury auction of 10-year Treasury notes. Separate interest rates are established each year for loans

for which the first disbursement is made on or after July 1 through the following June 30 of the following year.

For complete information regarding the Direct Loan Interest Rates for 2017-2018, refer to the [May 30, 2017 Electronic Announcement](#) posted on the IFAP website.

CURRENT ISSUES

DIRECT LOANS

Inactive Awards Incorrectly Considered for MPN Processing Options [(4/6/17) Updated 4/25/17]

Federal Student Aid has determined an issue in which the COD System is incorrectly evaluating inactive awards (award and disbursement amounts reduced to \$0) when considering if a loan origination record is on file. As a result, schools may receive Master Promissory Note responses (message class: CRPN) prematurely. Federal Student Aid has identified the cause of the issue and expects to fix it the weekend of July 16, 2017.

Federal Student Aid apologizes for the inconvenience this issue may cause and appreciates your patience as it works to correct the issue. For further assistance with COD System processing, schools should contact the COD School Relations Center.

GRANTS

There are no Grants-related issues at this time.

Keep School Contact Information Current in the COD System (6/23/17)

We remind schools and third party servicers that contact information in the COD System must be kept current. Contact information is extremely important for us to be able to reach the right people at the school, particularly about program-specific issues. The e-mail addresses for the President, Financial Aid Administrator, Pell Grant Financial Aid Officer, and Direct Loan Financial Aid Officer are used to deliver time-sensitive materials and critical COD processing information to the school.

Having current contact information for the Pell Grant Financial Aid Officer and Direct Loan Financial Aid Officer is most critical for a school that is an additional location to a main campus. The information allows us to contact those officers directly at the additional location rather than needing to contact the main campus.

For more information on updating School Contact Information, please refer to [the December 20, 2012 Electronic Announcement posted on the Information for Financial Aid Professionals \(IFAP\) Web site.](#)