



**July 16, 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 July 24-25, 2010 (07/16/10)**

Federal Student Aid is planning several system maintenance activities during the period July 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 July 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.

#### **Routine COD System Maintenance**

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- 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 online Direct Loan Entrance Counseling, complete a new Master Promissory Note (MPN) electronically, complete a Direct PLUS Loan Request electronically, or endorse a Direct PLUS Loan electronically via the [StudentLoans.gov Web site](#).
- 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](#).
- 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](mailto:CPSSAIG@ed.gov).



## **Electronic Announcement Posted – Notice of Proposed Rulemaking for Foreign Institutions (07/16/2010)**

In a [July 15, 2010 Electronic Announcement on the Information for Financial Aid Professionals \(IFAP\) Web site](#), Federal Student Aid announced the submission of a Notice of Proposed Rulemaking (NPRM) for publication in the [Federal Register](#). The NPRM addresses issues related to the participation of foreign schools in the Title IV student aid programs.

It is expected that this NPRM will be published early in the week of July 19, 2010. However, a draft copy is available now on the Department of Education's Office of Postsecondary Education Web site at the following address:

<http://www2.ed.gov/policy/highered/reg/hearulemaking/2009/foreign-schools.html>

After the NPRM is posted in the [Federal Register](#), it will be available on the [IFAP Web site](#). We will notify you of its availability.

## **Sallie Mae Begins Servicing Direct Loans (07/15/10)**

In a [June 23, 2010 Electronic Announcement](#) posted on the Information for Financial Aid Professionals (IFAP) Web site, we informed the community that we were ready to begin assigning William D. Ford Federal Direct Loan (Direct Loan) Program Direct loans to the new federal loan servicers, and began doing so with Nelnet on June 23, 2010.

At this time, we are pleased to announce that we began assigning Direct Loans to Sallie Mae on July 14, 2010. This means that the Direct Loan Servicing Center (ACS), Nelnet, FedLoan Servicing (PHEAA), Great Lakes Educational Loan Services, Inc., and Sallie Mae are the five federal loan servicers to which we currently will assign new Direct Loans.

For more information, refer to [the July 14, 2010 Electronic Announcement](#) on the [IFAP Web site](#).

## **Master Promissory Note, Entrance Counseling, and PLUS Search Issues [(4/22/10) Updated 7/13/10]**

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”.

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

The date range search functionality for Direct Loan Entrance Counseling is now available. In order to return the best results when performing a date range search, the maximum search period is 7 days.

**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 disabled the date range search on the PLUS Application Response Request Search page (under the Batch Search menu).

**Issue 5: Person Search by SSN-No search results returned, but batch search by SSN does return results**

The search results should return information related to the person (student/borrower). Federal Student Aid has determined that in some cases, a person search by SSN does not return search results with the person, even if the person is on file. However, when completing a batch search by SSN, search results are returned.

Federal Student Aid is continuing its work to resolve the remaining search issues as soon as possible and will provide updates as more information becomes available. These updates will be posted in the COD Processing Update.

As an alternative, schools can use the Batch Search page to locate the desired information. When using this workaround, a school should perform a general date range search (up to 60 days) for ALL batches. After the results are displayed, the school can filter the results for the specific batch type: “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.



### **Availability of EDEExpress for Windows 2010-2011, Release 4.0 (07/14/10)**

Federal Student Aid is pleased to announce the posting of EDEExpress for Windows 2010-2011, Release 4.0, on the Department's Federal Student Aid Download ([FSAdownload](http://www.fsadownload.ed.gov)) Web site, located at <https://www.fsadownload.ed.gov>.

Release 4.0 includes updates to the William D. Ford Federal Direct Loan (Direct Loan) and Teacher Education Assistance for College and Higher Education (TEACH) Grant modules to import and store exit counseling results files sent by the National Student Loan Data System (NSLDS). In addition, Federal Student Aid updated the Direct Loan module to import and store entrance counseling results files sent by the Common Origination and Disbursement (COD) System.

For complete information about Release 4.0, refer to [the July 12, 2010 Electronic Announcement](#) posted on the Information for Financial Aid Professionals (IFAP) Web site.

### **Live Internet Webinar - Program Integrity Notice of Proposed Rulemaking (07/12/10)**

Federal Student Aid is pleased to announce instructor-led, online training that will focus on proposed regulatory changes that improve integrity in the Title IV student assistance programs. As explained in [a June 21, 2010 Electronic Announcement on the Information for Financial Aid Professionals \(IFAP\) Web site](#), Federal Student Aid published an [NPRM](#) in the [Federal Register](#) on June 18, 2010. Some of the areas of proposed change include verification, satisfactory academic progress, Return of Title IV Aid (R2T4), disbursement rules, credit hour definition, and incentive compensation. The training is intended for all school participants in the Title IV student assistance programs.

For complete session descriptions, training schedule, and registration information, refer to [ANN-10-27](#).

Federal Student Aid looks forward to your participation in this instructor-led, online training opportunity.

### **Availability of Direct Loan (DL) Tools for Windows, Release 10.0 (07/12/10)**

Federal Student Aid is pleased to announce the availability of William D. Ford Federal Direct Loan (DL) Tools for Windows, Release 10.0, a supplemental software product for Direct Loan participants. DL Tools is available for download on our Federal Student Aid Download ([FSAdownload](http://www.fsadownload.ed.gov)) Web site, located at <https://www.fsadownload.ed.gov>.

In addition to the software, the following Release 10.0 user documentation is now available on the [FSAdownload](http://www.fsadownload.ed.gov) Web site:

- DL Tools, Release 10.0 Cover Letter (provides information regarding enhancements available in Release 10.0)
- DL Tools, Release 10.0 Installation Guide (provides technical guidance regarding installing and using Release 10.0)

For complete information about the DL Tools software, refer to [the July 9, 2009 Electronic Announcement on the IFAP Web site](#).



### **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.

### **Weekly Reminders**



#### **COD Computer-Based Training (07/16/10)**

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 EDEXpress for Windows software and schools that do not use this software, the simulation is especially useful for schools that do not use the EDEXpress 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](mailto: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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