Common Origination and Disbursement
COD Processing Update

July 18, 2008

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

NEW!

EDExpress 2008-2009 Release 3.0 Program File Now Available That Enables Users to Originate Direct Loans at ECASLA Annual Loan Limits (07/18/08)
As part of the EDExpress 2008-2009 workaround attachment to DLB 08-16, we advised Direct Loan users to originate new unsubsidized loans to accommodate students with additional loan eligibility as a result of the increased annual loan limits defined by the ECASLA. We have since received feedback indicating that creating an additional unsubsidized loan record to cover expanded ECASLA annual loan limits is not a viable solution for some schools.

To assist schools in these situations, we have posted an updated EDExpress 2008-2009 program file named DirectLoan9.dll to the Federal Student Aid Download (FSAdownload) Web site, located at http://fsadownload.ed.gov. After copying the DirectLoan9.dll to your EDExpress 2008-2009 workstations, you will be able to originate individual Direct Loan records according to ECASLA annual loan limit amounts.

Note: Schools that load the updated DirectLoan9.dll to their system should be aware that the file removes all software edits pertaining to Direct Loan subsidized and unsubsidized annual loan limits from the origination process. After loading the file, you should plan to more closely monitor and verify loan award amounts for individual students and ensure they do not exceed pre-ECASLA or ECASLA annual loan limits based on your students' eligibility.

For complete information about the EDExpress 2008-2009 Release 3.0 Program File, refer to the July 17, 2008 Electronic Announcement posted on the IFAP Web site.

COD System Maintenance Planned For Sunday, July 20, 2008 (07/16/08)
The COD System will undergo routine maintenance on Sunday, July 20, 2008 from 1:30 A.M. until 10:00 A.M. (ET). 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. This activity will result in outages of certain COD System functionality for a period of time. Federal Student Aid appreciates your patience and understanding as it completes this important activity.

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

COD Web Site and System

- Users will not be able to submit or retrieve data via the COD Web site between 1:30 A.M. and 10:00 A.M. (ET).

- Batches submitted by schools via the SAIG between 1:30 A.M. and 3:00 A.M. (ET) will be held and not acknowledged back to schools until after the SAIG comes back up at 11:00 A.M. (ET).

- Schools attempting to transmit batches via the SAIG between 3:00 A.M. and 11:00 A.M. (ET) will receive an error message informing them that the SAIG is unavailable and that the data must be transmitted at a later time.

Direct Loan Electronic Master Promissory Note Web Site

- An individual will not be able to complete a new MPN electronically or retrieve an existing MPN that was completed electronically via the Direct Loan Electronic Master Promissory Note (MPN) Web site between 1:30 A.M. and 11:00 A.M. (ET).

  An individual starting the process by 12:30 A.M. (ET) will be able to complete his or her MPN before the Web site becomes unavailable. An individual attempting to access the Web site after the cutoff time will see a Web site maintenance message and will not be able to start the process or retrieve an existing MPN.

TEACH Grant Agreement to Serve Web site

- An individual will not be able to complete a new ATS electronically or retrieve an existing ATS via the TEACH Grant Agreement to Serve (ATS) Web site between 1:30 A.M. and 11:00 A.M. (ET).

  An individual starting the process by 12:30 A.M. (ET) will be able to complete his or her ATS before the Web site becomes unavailable. An individual attempting to access the Web site after the cutoff time will see a Web site maintenance message and will not be able to start the process or retrieve an existing ATS.

Contact Information

Federal Student Aid apologizes for any inconvenience these outages may cause. If you have any questions about the COD System, the Direct Loan Electronic MPN Web site, or the TEACH Grant ATS 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.

Correction To Direct Loan Bulletins 08-15 And 08-18 Posted On IFAP Web Site (07/11/08)
On July 10, 2008, Federal Student Aid corrected two recent Direct Loan Bulletins. In both cases, Federal Student Aid corrected minor errors in the bulletin attachments, as explained below.

DLB-08-15

On June 23, 2008 Federal Student Aid posted DLB-08-15 about the new Direct Subsidized Loan and Direct Unsubsidized Loan Master Promissory Note (MPN). On July 10, 2008, Federal Student Aid replaced the two MPN attachments and the one Borrower's Rights and Responsibilities Statement attachment with corrected files. This was done to correct four minor formatting errors in the "Repaying Your Loans" chart on the last page of each document. Under the "Standard" column, commas were inserted in the "Total" amounts for the first three debt levels (4,471, 6,905, and 7,595). Under the "Income Contingent - Income = $15,000" column, the comma was correctly placed in the "Married/HOH" amount for the $7,500 debt level (14,019).

DLB-08-18

On July 2, 2008 Federal Student Aid posted DLB-08-18 about the Direct Loan Program Interest Rates 7-1-2008 through 6-30-2009. On July 10, 2008, Federal Student Aid replaced the "Direct Loan Program Interest Rates 7-1-2008 through 6-30-2009" attachment with a corrected file. This was done to correct some minor inconsistencies in date information throughout the interest rate charts.

The corrected attachments to the Direct Loan Bulletins are now available on the Information for Financial Aid Professionals (IFAP) Web site. Please replace your current copies of DLB-08-15 and DLB-08-18 with the corrected postings.

Federal Student Aid apologizes for any confusion caused by the erroneous information.

Weekly Reminders

NEW!

Computer-Based Training Program for COD System Web Site, COD Reports, and Electronic MPN Web site (07/18/08)
Federal Student Aid takes this opportunity to remind schools of the availability of an updated Computer-Based Training (CBT) for the COD System Web site. The updated COD CBT includes enhancements that have been made to the COD System from March 2004 through April 14, 2007. Additionally, a new Direct Loan Reports CBT, a new Grant Reports CBT, and new simulations of the Direct Loan Electronic Master Promissory Note (MPN) Web site have been developed and are available for download.

The electronic files for the CBTs and simulations, as well as instructions for downloading and using these files, are available on the Information for Financial Aid Professionals (IFAP) Web site. Under the "Tools for Schools" section, click on COD Computer-Based Training.

The CBTs and simulations are as follows:

COD System Web Site CBT
The COD System Web site CBT simulates the COD System and functionality available to a school administrator. In the updated COD System Web site CBT, there are eight lessons with text and an open format to guide a user through each area of the COD System Web site

simulation. The user can explore basic navigation and functions of the COD Web site and practice locating and creating information in a safe environment with tips for assistance.

Grant Reports CBT

The Grant Reports CBT offers three lessons that explain the COD reports a school can use to assist with the reconciliation process for Federal Pell Grant (Pell Grant), Academic Competitiveness Grant (ACG), and National Science and Mathematics Access to Retain Talent Grant (National SMART Grant) awards.

Direct Loan Reports CBT

The Direct Loan Reports CBT offers three lessons that explain the COD reports a school can use to assist with the reconciliation process for William D. Ford Federal Direct Loan (Direct Loan) awards.

EMPN Online Simulations

The EMPN Online Simulations serve as a guide for understanding the Direct Loan Electronic MPN Web site. The four simulations are as follows:

- EMPN online Grad PLUS Pnote
- EMPN online Parent PLUS
- EMPN online School Administrator
- EMPN online Subsidized-Unsubsidized

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

Reports and Data Requests

NOTICES

This section contains important notices regarding reports and/or data requests. While we encourage you to review this section, note that some schools may not be impacted by the information presented below.

- Direct Loan Rebuild File—   Schools in need of this file should contact the
                                                                    COD School Relations Center.

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

COD News

COD System Maintenance Planned For Sunday, July 20, 2008 (07/16/08)
The COD System will undergo routine maintenance on Sunday, July 20, 2008 from 1:30 A.M. until 10:00 A.M. (ET). 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. This activity will result in outages of certain COD System functionality for a period of time. Federal Student Aid appreciates your patience and understanding as it completes this important activity.

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

COD Web Site and System

- Users will not be able to submit or retrieve data via the COD Web site between 1:30 A.M. and 10:00 A.M. (ET).

- Batches submitted by schools via the SAIG between 1:30 A.M. and 3:00 A.M. (ET) will be held and not acknowledged back to schools until after the SAIG comes back up at 11:00 A.M. (ET).

- Schools attempting to transmit batches via the SAIG between 3:00 A.M. and 11:00 A.M. (ET) will receive an error message informing them that the SAIG is unavailable and that the data must be transmitted at a later time.

Direct Loan Electronic Master Promissory Note Web Site

- An individual will not be able to complete a new MPN electronically or retrieve an existing MPN that was completed electronically via the Direct Loan Electronic Master Promissory Note (MPN) Web site between 1:30 A.M. and 11:00 A.M. (ET).

  An individual starting the process by 12:30 A.M. (ET) will be able to complete his or her MPN before the Web site becomes unavailable. An individual attempting to access the Web site after the cutoff time will see a Web site maintenance message and will not be able to start the process or retrieve an existing MPN.

TEACH Grant Agreement to Serve Web site

- An individual will not be able to complete a new ATS electronically or retrieve an existing ATS via the TEACH Grant Agreement to Serve (ATS) Web site between 1:30 A.M. and 11:00 A.M. (ET).

  An individual starting the process by 12:30 A.M. (ET) will be able to complete his or her ATS before the Web site becomes unavailable. An individual attempting to access the Web site after the cutoff time will see a Web site maintenance message and will not be able to start the process or retrieve an existing ATS.

Contact Information

Federal Student Aid apologizes for any inconvenience these outages may cause. If you have any questions about the COD System, the Direct Loan Electronic MPN Web site, or the TEACH Grant ATS 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.

2007-2008 National SMART Grant Deobligation Due To No Corresponding Pell Grant (07/17/08)
On July 16, 2008, Federal Student Aid deobligated 2007-2008 Award Year National Science and Mathematics Access to Retain Talent Grant (National SMART Grant) disbursements for students who did not have a 2007-2008 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 June 19, 2008, these National SMART Grant 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 National SMART Grant disbursements at approximately 51 schools.

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

- Receive an SGTX file (SGTX08OP 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 (CRND08OP message class/ND document type) in the school's SAIG mailbox

- Receive a new Electronic Statement of Account (SGAS08OP 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 National SMART Grant recipients at a school had a corresponding 2007-2008 Pell Grant actual disbursement on July16, 2008, the school was not affected by the July 16th deobligation process.

- Some National SMART Grant recipients do not have a corresponding 2007-2008 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 July 16th deobligation process.

If you have any questions about the 2007-2008 National SMART Grant deobligation of disbursements due to no corresponding 2007-2008 Pell Grant actual disbursement, contact the COD School Relations Center.

E-mail Outreach Regarding ACG And National SMART Grant Participation (07/15/08)
On July 15, 2008, Federal Student Aid communicated via e-mail to Financial Aid Administrators at approximately 400 schools that had not yet submitted origination and disbursement records reflecting participation in the Academic Competitiveness Grant (ACG) Program and/or the National Science and Mathematics Access to Retain Talent Grant (National SMART Grant) Program for the 2006-2007 and 2007-2008 award years. These e-mails were disseminated by the COD School Relations Center (CODSupport@acs-inc.com) on behalf of William Leith, Acting General Manager of Federal Student Aid's Application, Operations and Delivery Services.

Federal Student Aid has asked each affected school to review its records and processes regarding compliance with the ACG Program and/or National SMART Grant Program regulations and then complete and return a certification for one program or both programs, as applicable. The certifications are to be mailed or faxed to the COD School Relations Center by July 25, 2008.

If you received one of these outreach e-mails and have any questions, you may contact the COD School Relations Center.

TEACH Grant Operational Implementation Guidance – COD System Implementation and Guidance Summary (07/01/08)
The College Cost Reduction and Access Act (the CCRAA), Pub. L. 110-84, authorized the Teacher Education Assistance for College and Higher Education (TEACH) Grant Program for implementation beginning with the 2008-2009 Award Year. The TEACH Grant Program provides up to $4,000 a year in grant assistance to a student who agrees to serve for at least four years as a full-time teacher in a high-need field in a public or private elementary or secondary school that serves students from low-income families. A TEACH Grant recipient who does not complete the required teaching within a specified timeframe, or fails to meet certain other requirements of the TEACH Grant Program, will be required to repay the TEACH Grant as a Direct Unsubsidized Loan under the William D. Ford Federal Direct Loan Program.

During the period June 27-28, 2008, Federal Student Aid implemented COD System functionality that supports the processing of TEACH Grant awards for the 2008-2009 and subsequent award years. This functionality included implementation of the TEACH Grant Agreement to Serve (ATS) Web site.

For TEACH Grant guidance refer to the following postings on the Information for Financial Aid Professionals (IFAP) Web site:

- Final Rule published on June 23, 2008 (73 FR 35472) in the Federal Register provides the final regulations effective July 1, 2008 for the 2008-2009 Award Year.

___

- [Dear Colleague Letter GEN-08-01](#) provides policy information on all of the provisions of the CCRAA, including the TEACH Grant Program.

- [Dear Colleague Letter GEN-08-07](#) provides information on institutional eligibility for the TEACH Grant Program.

- [June 19, 2008 Electronic Announcement](#) provides information on Federal Student Aid's operational implementation of TEACH Grant Program functionality.

- [June 27, 2008 Electronic Announcement](#) provides information on the student aspects of the TEACH Grant Program that will be operational for July 1, 2008. This communication includes a "TEACH Grant Agreement to Serve (ATS) Web Site User Guide" designed to assist a student in completing his or her first electronic ATS.

- [2008-2009 COD Technical Reference](#) provides technical information related to the processing of TEACH Grant awards.

Federal Student Aid will continue to inform the community of the implementation of additional TEACH Grant functionality scheduled for implementation over the next several months. Please monitor the [IFAP Web site](#) for the forthcoming communications.

Weekly Reminders

NEW!

Computer-Based Training Program for COD System Web Site, COD Reports, and Electronic MPN Web site (07/18/08)
Federal Student Aid takes this opportunity to remind schools of the availability of an updated Computer-Based Training (CBT) for the [COD System Web site](#). The updated COD CBT includes enhancements that have been made to the COD System from March 2004 through April 14, 2007. Additionally, a new Direct Loan Reports CBT, a new Grant Reports CBT, and new simulations of the [Direct Loan Electronic Master Promissory Note (MPN) Web site](#) have been developed and are available for download.

The electronic files for the CBTs and simulations, as well as instructions for downloading and using these files, are available on the Information for Financial Aid Professionals (IFAP) Web site. Under the "Tools for Schools" section, click on [COD Computer-Based Training](#).

The CBTs and simulations are as follows:

COD System Web Site CBT
The COD System Web site CBT simulates the COD System and functionality available to a school administrator. In the updated COD System Web site CBT, there are eight lessons with text and an open format to guide a user through each area of the COD System Web site simulation. The user can explore basic navigation and functions of the COD Web site and practice locating and creating information in a safe environment with tips for assistance.

Grant Reports CBT

The Grant Reports CBT offers three lessons that explain the COD reports a school can use to assist with the reconciliation process for Federal Pell Grant (Pell Grant), Academic Competitiveness Grant (ACG), and National Science and Mathematics Access to Retain Talent Grant (National SMART Grant) awards.

Direct Loan Reports CBT

The Direct Loan Reports CBT offers three lessons that explain the COD reports a school can use to assist with the reconciliation process for William D. Ford Federal Direct Loan (Direct Loan) awards.

EMPN Online Simulations

The EMPN Online Simulations serve as a guide for understanding the Direct Loan Electronic MPN Web site. The four simulations are as follows:

- EMPN online Grad PLUS Pnote
- EMPN online Parent PLUS
- EMPN online School Administrator
- EMPN online Subsidized-Unsubsidized

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

ACG and National SMART Grant Resources (07/18/08)
As a reminder, the Department of Education (the Department) has posted a number of Dear Colleague Letters and Electronic Announcements that communicate regulatory, policy, and operational information related to the implementation of the Academic Competitiveness Grant (ACG) and National Science and Mathematics Access to Retain Talent Grant (National SMART Grant) programs. In addition, Federal Student Aid has updated the 2006-2007 COD Technical Reference, the 2007-2008 COD Technical Reference, and posted the 2008-2009 COD Technical Reference. A school should refer to the communications posted on the Information for Financial Aid Professionals (IFAP) Web site and to the 2006-2007, 2007-2008, and 2008-2009 COD technical references for complete information about the ACG and National SMART Grant programs.

More specifically, the 2006-2007, 2007-2008, and 2008-2009 COD technical references cover all aspects of the operational implementation of the ACG and National SMART Grant programs. This includes information on the following key aspects of ACG and National SMART Grant processing:

- o Financial Award ID and Financial Award Number (Award Sequence Number)
     Volume II, Section 1 "Implementation Guide"

- o Citizenship and Student Level Code
     Volume II, Section 1 "Implementation Guide"

o Message Classes
Volume II, Section 2 "Message Classes"

o Common Record Layout
Volume II, Section 3 "Common Record Layout"

o Reports Generated by COD System
Volume VI, Section 8 "COD Reports"

o Eligibility/Payment Reason and Rigorous High School Program Code for ACG
Volume VI, Section 9 "Rigorous Secondary School Programs of Study, and Eligible
Majors"

o Major/Classification of Instructional Program (CIP) Code for National SMART Grant
Volume VI, Section 9 "Rigorous Secondary School Programs of Study, and Eligible
Majors"

If your school needs help locating information related to the operational implementation of the
ACG and National SMART Grant programs, contact the COD School Relations Center.

Note for EDExpress Users: Volume III of the 2006-2007, 2007-2008, and 2008-2009 COD
technical references provides additional guidance for schools that use EDExpress in combination
with another system. If your school needs help locating information related to EDExpress,
contact CPS/SAIG Technical Support at 880/330-5947 or by e-mail at CPSSAIG@ed.gov.