



# COD Processing Update

August 10, 2012

## NEWS/UPDATES

### • **Second 2011-2012 Verification Status Code “W” Warning Message (08/07/12)**

On August 6, 2012, Federal Student Aid began processing a text message (PGTX12OP) as well as a Reconciliation Report (PGRC12OP) to schools that have one or more 2011-2012 Federal Pell Grant (Pell Grant) student records still reported with a verification status code of “W”. The message is a warning that disbursements to all students with a verification status code of “W” will be considered overawards and reduced to a zero dollar amount (\$0.00), even though the disbursements were previously accepted in the COD System. The reduction of the affected disbursements is scheduled to occur on August 20, 2012.

A school that receives the warning message should review the accompanying Reconciliation Report and submit appropriate changes to the verification status codes for affected students before August 20, 2012.

#### **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 \(IFAP\) Web site](#)
- A school does not need to submit a verification status code and should leave the field 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.

#### **Note Regarding Verification Deadline:**

Some of the student records included in the Reconciliation Report may be for students who are still within the allowable timeframe for submitting verification documentation/completing the verification process by the deadlines specified in the “Applications, Reports, and Other Records for the 2011-2012 Award Year Notice” published in the [Federal Register](#) on June 29, 2012. The [June 29, 2012 notice](#) is also posted on the IFAP Web site.

Following the August 20, 2012 reduction, 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 October 1, 2012. After October 1, 2012, the COD System will no longer accept “W” as a valid verification status code for 2011-2012 Pell Grant awards.

If you have any questions about the warning message or about reporting verification status codes to the COD System, contact the COD School Relations Center.

### • **COD Reject Edits 142 and 144 Hitting Incorrectly for Direct Subsidized Loans and Direct Unsubsidized Loans in Certain Cases (08/02/12)**

Federal Student Aid has determined that some schools are receiving COD Reject Edit 142 and 144 incorrectly when attempting to send changes to the rebate percentage or an origination fee percentage on Direct Subsidized Loans and Direct Unsubsidized Loans. The edits are hitting incorrectly in cases when a school is sending changes for an award that 1) only has anticipated disbursements [Disbursement Release Indicator (DRI) = false] **and** 2) has been reduced to zero.



Federal Student Aid is working to resolve this issue as soon as possible and is targeting a fix by mid-August 2012. If at all possible, schools are encouraged to hold corrections to these awards until that time. If a school needs to correct the award sooner, it should reduce the original award to zero and then submit a **new** award with the updated interest rebate or origination fee percentages.

In either case, the school should document the delay in submitting the corrected records or the use of the work-around, noting the COD System issue. This notice can be used as part of that documentation of the system issue.

Federal Student Aid apologizes for any inconvenience this issue may cause schools. If you have additional questions about this issue, contact the COD School Relations Center.

• **Interest Rebate Percentage Report for Schools Posted on COD Web Site (05/14/12)**

On May 12, 2012, Federal Student Aid began producing an Interest Rebate Percentage Report to identify Direct PLUS Loan awards that have an award amount greater than \$0.00 and an **incorrect** interest rebate percentage based on the earliest disbursement date. The report lists Direct PLUS Loan awards with—

- An earliest disbursement date before July 1, 2012, and an interest rebate percentage of 0.0%
- An earliest disbursement date on or after July 1, 2012 and an interest rebate percentage of 1.5%

Schools can use the report to identify the Direct PLUS Loan awards that must be corrected.

The first Interest Rebate Percentage Report was generated on May 12, 2012 and will continue to be generated weekly on Saturdays from May 19, 2012 through November 3, 2012. **Note:** The report will be discontinued in November because the COD System will be modified in October 2012 to systematically return a reject edit for Direct PLUS Loan awards with an incorrect interest rebate percentage. The report will have minimal data elements, but will include student SSN, award ID, award year, award amount, earliest disbursement date, and interest rebate percent.

The Web-only report is in comma-delimited (CSV) format and available in a school's Direct Loan Reporting Newsbox on the COD Web site. It will not be sent to a school's SAIG mailbox. Using the CSV file, a school can import the data into a spreadsheet or other software tool to sort the data in whatever manner is most useful to the school.

If you have additional questions about the report, contact the COD School Relations Center.

**CURRENT ISSUES**

**DIRECT LOANS**

There are no Direct Loan specific issues to report at this time.

**GRANTS**

There are no Grant specific issues to report at this time.

**REMINDERS**

**2012-2013 COD System Peak Processing Reminders (06/13/12)**

In late June 2012, we will begin another peak processing period for the 2012-2013 Award Year.

In [a June 13, 2012 Electronic Announcement](#) posted on the IFAP Web site, Federal Student Aid provides COD System peak processing reminders to assist schools with planning and processing.



Thank you for your patience and understanding during this peak processing period.

**COD Computer-Based Training (08/10/12)**

Federal Student Aid takes this opportunity to remind the community of the availability of the COD Computer-Based Training (CBT).

The COD CBT consists of component simulations and CBTs. 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](#).

**Sending Addresses for U.S. Territories and Foreign Countries on the Common Record or the COD Web site (08/10/12)**

When submitting student or borrower addresses or address changes to the Common Origination and Disbursement (COD) System, it is important that the correct tags are used, particularly when the student or borrower address is located in a U.S. Territory or Foreign Country. If these addresses are not submitted correctly, important correspondence from the COD System and the federal loan servicers is delayed or not received.

- When a student or borrower address is located in a U.S. Territory it is considered a domestic address. Do not submit a Country Code.
- When a student or borrower address is located in a Foreign Country, it is treated as a foreign address.

See below for the correct procedures for submitting U.S. Territories and Foreign Country addresses via the Common Record batch submission or COD Web site.

**Submitting Addresses for U.S. Territories and Foreign Countries via the Common Record**

When creating or updating a person record via the Common Record batch submission, a school should send the address block with the following tags:

Schema Version	Included Tags for Domestic Address, including U.S. Territories	Excluded Tags for Domestic Address, including U.S. Territories	Included Tags for Foreign Addresses
3.0c or 3.0d	<AddressLine> <City> <StateProvinceCode> <PostalCode>	<StateProvince> <CountryCode>	<AddressLine> <City> <StateProvince> (Optional) <PostalCode> (Optional) <CountryCode>

**Submitting Addresses for U.S. Territories and Foreign Countries via the COD Web site**

When creating or updating a person record on the COD Web site, a school should select the U.S. Territory from the dropdown box in the State/Province field. A school should select the Country field as “Blank”.

A complete list of State Codes (including U.S. Territories), Jurisdictions, and Country Codes are provided in Volume VI, Section 4 of the [2010-2011 COD Technical Reference](#). If you have questions about this information, contact the COD School Relations Center.