August 15, 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

COD System Maintenance Planned For Sunday, August 17, 2008 (08/13/08)
The COD System will undergo routine maintenance on Sunday, August 17, 2008 from 12:30 A.M. until 12:30 P.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 12:30 A.M. and 12:30 P.M. (ET).

- Batches submitted by schools via the SAIG between 12:30 A.M. and 3:00 A.M. (ET) will be held and not acknowledged back to schools until after COD comes back up at 12:30 P.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.

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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 12:30 A.M. and 12:30 P.M. (ET).

  An individual starting the process by 11:30 P.M. (ET) on Saturday, August 16, 2008 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 12:30 A.M. and 12:30 P.M. (ET).

  An individual starting the process by 11:30 P.M. (ET) on Saturday, August 16, 2008 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.

Resolved – August 12, 2008 Direct Loan Electronic MPN Web Site Issue (08/13/08)
On August 12, 2008, Federal Student Aid experienced an issue with the Direct Loan Electronic Master Promissory Note (MPN) Web site. The issue resulted in users not being able to proceed beyond Step 3 in the process for completing an MPN.
Federal Student Aid resolved the issue at 11:30 A.M. (ET) on August 12, 2008, and users can now complete the electronic MPN process without issue.

Federal Student Aid apologizes for the inconvenience caused by this issue and will continue to closely monitor Direct Loan Electronic Master Promissory Note (MPN) Web site operations. Thank you for your patience and understanding.

Reminder of Origination Fee Reduction for Direct Subsidized Loans and Direct Unsubsidized Loans (07/30/08)
As explained in Direct Loan Bulletin 08-05, the origination fee for Direct Subsidized Loans and Direct Unsubsidized Loans was reduced for 2008-2009. This bulletin provides operational guidance for schools and third party software providers on implementing the latest reduction 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 Direct Loan Bulletin 08-05 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.

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.

Weekly Reminders

NEW!

Computer-Based Training Program for COD System Web Site, COD Reports, and Electronic MPN Web site (08/15/08)
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.

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

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- 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.

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

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Second 2007-2008 Verification Status Code "W" Warning Message (08/06/08)
On August 5, 2008, Federal Student Aid began processing a text message (PGTX08OP) as well as a Reconciliation Report (PGRC08OP) to schools that have one or more 2007-2008 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 19, 2008.

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 19, 2008.

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 as will be specified in a forthcoming "Notice of Deadline Dates for Receipt of Applications, Reports, and Other Records for the 2007-2008 Award Year." This notice was published in the Federal Register on June 9, 2008 and subsequently posted on the Information for Financial Aid Professionals (IFAP) Web site.

Following the August 19, 2008 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 September 30, 2008. After September 30, 2008, the COD System will no longer accept "W" as a valid verification status code for 2007-2008 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.

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.

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