August 21, 2009

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.

Grant Programs

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

COD News

Second 2008-2009 Pell Grant Deobligation Due To Verification Status "W" (08/20/09)
On August 19, 2009, Federal Student Aid deobligated 2008-2009 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". As noted in the warning message that Federal Student Aid sent to affected schools on August 11, 2008, 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 200 schools.

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

- Receive a PGTX (PGTX09OP 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 (CRND09OP 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

Note: If a school did not have students with a verification status of "W" just prior to August 19, 2009, it was not affected by the deobligation process.

A school affected by the deobligation should carefully review the following information:

Verification Completed or Not Required

If verification has been completed as required or is not required and a school believes a student's 2008-2009 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) Web site.
- 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 2008-2009 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 as specified in the "Notice of Deadline Dates for Receipt of Applications, Reports, and Other Records for the 2008-2009 Award Year" published on June 18, 2009 (74 FR 28918) in the Federal Register and subsequently posted on the Information for Financial Aid Professionals (IFAP) Web site.

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, 2009. After September 30, 2009, the COD System will no longer accept "W" as a valid verification status code for 2008-2009 Pell Grant awards.

If you have any questions regarding the 2008-2009 Pell Grant deobligation of disbursements due to verification status "W," contact the COD School Relations Center.

COD System Maintenance Planned For Sunday, August 23, 2009 (08/19/09)

The COD System will undergo routine maintenance on Sunday, August 23, 2009 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 12:00 A.M. and 3:00 A.M. (ET) will be held and not acknowledged back to schools until after the COD System 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.

- Batches submitted by schools via the SAIG between 11:00 A.M. and 12:30 P.M. (ET) will be held and not acknowledged back to schools until after the COD System comes back up at 12:30 P.M. (ET).

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 22, 2009 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 Web Site Outage Sunday, August 23, 2009

- 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 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 22, 2009 will be able to complete his or her TEACH Grant Initial and Subsequent Counseling or 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 TEACH Grant Initial and Subsequent Counseling session, complete a new ATS, 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 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.

COD System Ready to Accept New National SMART Grant Eligible Majors for 2009-2010 Award Year (08/18/09)

As explained in a July 9, 2009 Electronic Announcement posted on the IFAP Web site, we needed to update the Common Origination and Disbursement (COD) System to accept the CIP codes for the additional Foreign Language and new Liberal Arts and Sciences/Liberal Studies eligible majors. We have completed the update, and schools may now submit these CIP codes in 2009-2010 National SMART Grant awards via batch or the COD Web site.

As in the past, Volume VI, Section 9 of the 2009-2010 COD Technical Reference provides the list of eligible CIP codes for 2009-2010 National SMART Grant awards. We will update the 2009-2010 COD Technical Reference to include the CIP codes for the additional Foreign Language and new Liberal Arts and Sciences/Liberal Studies majors as soon as possible. To assist schools until we update the technical reference, we are providing a complete list of the eligible Foreign Language and Liberal Arts and Sciences/Liberal Studies CIP codes as an attachment to this announcement.

If you have questions about New Eligible CIP Codes for 2009-2010 National SMART Grant Awards, contact the COD School Relations Center.

Teaching in a high-need field in order to satisfy the TEACH Grant Program Agreement to Serve (08/18/09)

On August 13, 2009 the Department of Education published Dear Colleague Letter GEN-09-10 on the Information for Financial Aid Professionals (IFAP) Web site. This Dear Colleague Letter summarizes a recent legislative change to the TEACH Grant Program requirement that a grant recipient teach in a high-need field to fulfill the TEACH Grant service obligation.

For complete information about the about the statutory change discussed in this letter, refer to Dear Colleague Letter GEN 09-10.

Weekly Reminders

Sending Addresses for U.S. Territories on the Common Record or the COD Web site (08/21/09)

When submitting student or borrower addresses 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. These addresses are considered domestic addresses and should not be submitted as a foreign address with a Country Code. If these addresses are not submitted correctly, important correspondence from the COD System and the Direct Loan Servicing Center is delayed or not received.

When a student or borrower address is located in a U.S. Territory, the address should be treated as a domestic address and submitted to the COD System as follows:

Submitting Addresses for U.S. Territories 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
3.0b *Required for 2009-2010 Award Year and forward	<AddressLine> <City> <StateProvinceCode> <PostalCode>	<StateProvince> <CountryCode>
2.0e	<AddressForeignIndicator>false </AddressForeignIndicator> (optional) <AddressLine> <AddressCity> <AddressStateProvinceCode> <AddressPostalCode>	<AddressForeignIndicator>true </AddressForeignIndicator> <AddressCountryCode>

Submitting Addresses for U.S. Territories 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) is provided in Volume VI, Section 4 of the 2009-2010 COD Technical Reference. If you have questions about this information, contact the COD School Relations Center.

NEW!

COD Computer-Based Training (08/21/09)

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 28, 2008.

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.

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 (one with two parts) 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 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.

***Grant Reports CBT* –** The Grant Reports CBT includes 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 (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.

***eMPN Online Simulations* –** The eMPN Online Simulations offer a step-by-step walk through of the process for completing a Direct Loan Master Promissory Note (MPN) via the Direct Loan Electronic MPN Web site. There are three lessons with text to guide a user through student and parent aspects of the eMPN process.

***Completing an Agreement to Serve (ATS) Website Simulation* –** The Completing an ATS Website Simulation provides a step-by-step walk through of the process for completing a Teacher Education Assistance for College and Higher Education (TEACH) Grant ATS via the TEACH Grant ATS Web site.

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, please include "COD CBT Question/Comment" in the subject line.

TEACH Grant Operational Implementation Guidance – COD System Implementation and Guidance Summary (08/21/09)

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 beginning with the 2008-2009 Award Year.

For TEACH Grant policy and operational 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.
- September 3, 2008 Electronic Announcement that provides information on Federal Student Aid's implementation of system functionality that supports TEACH Grant reporting functions.
- 2008-2009 COD Technical Reference and 2009-2010 COD Technical Reference provides technical information related to the processing of TEACH Grant awards.

Note: On an ongoing basis, Federal Student Aid posts updated listings of schools that are eligible to participate in the TEACH Grant Program. These listings are posted as Electronic Announcements.

NEW!

TEACH Grant – Institutional Participation Request Process Information (08/21/09)
On June 3, 2008, the Department of Education posted Dear Colleague Letter GEN-08-07 on the Information for Financial Aid Professionals (IFAP) Web site. This Dear Colleague Letter clarifies how an institution will establish eligibility to participate in the TEACH Grant Program.

For complete information about the Institutional Participation Request Process, refer to Dear Colleague Letter GEN-08-07.

- Questions about the issues discussed in the letter should be directed to Gail McLarnon by e-mail at gail.mclarnon@ed.gov or by phone at 202/219-7048.
- Questions about the participation request process should be directed to the School Participation Team for a school's state. Contact information is available on the Electronic Application for Approval to Participate in Federal Student Financial Aid Programs (E-App) Web site.

Participation Request Process Steps – As outlined in the 10-step participation request process included in Dear Colleague Letter GEN-08-07, a school must complete Question 1, enter specified language in Section K/Question 69, and complete Section L via the E-App Web site. After completing these steps, the school must mail its signed and dated signature page to the Department of Education (the Department) per the instructions provided on the "Submit Application" page. To aid in expediting receipt of the school's signature page by the Department, the school may want to use an overnight delivery method.

Participation Request Process Follow Up – If a school does not receive a response regarding its request to participate in the TEACH Grant Program within two weeks of submitting the request, the school should contact the School Participation Team for the school's state. Contact information is available on the E-App Web site.

School Addition to ATS Web Site – Once a school is determined to be eligible to participate in the TEACH Grant Program, the school's name will be added to the TEACH Grant Agreement to Serve (ATS) Web site. As a general rule, Federal Student Aid will update the TEACH Grant ATS Web site on the Tuesday or Thursday most closely following notification of the school's

eligibility. If a school has questions about the TEACH Grant ATS Web site, it should contact the COD School Relations Center.