



# COD Processing Update

August 24, 2012

## NEWS/UPDATES

- **Direct Loan 2010-2011 School Account Statement Monthly Detail Files for July 2012 Month End Issue (08/24/12)**

The weekend of August 4, 2012, the final School Account Statement (SAS) for the William D. Ford Federal Direct Loan (Direct Loan) 2010-2011 Award Year was generated and sent to schools. However, Federal Student Aid has discovered that only the year-to-date detail was provided. Schools whose SAS Options on the COD Web site indicate they had selected to receive a monthly detail file did not receive that additional information.

To resolve this issue, a monthly detail SAS will be generated and sent to impacted schools' Student Aid Internet Gateway (SAIG) mailbox this weekend, and will be available by Wednesday, August 29, 2012.

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

- **Missing Unsubstantiated Cash Data on Web Version of School Monitoring Report (08/24/12)**

Federal Student Aid has determined that the Unsubstantiated Cash section on the School Monitoring Report is blank for some schools. This issue is only affecting the Web version of the report found in the COD Reporting Newsbox on the COD Web site. School Monitoring Reports sent to schools via their Student Aid Internet Gateway (SAIG) Mailbox (message class SCHMONOP) reflect the correct Unsubstantiated Cash information.

Federal Student Aid plans to fix this issue on September 21, 2012 and corrected reports will be available via a school's COD Reporting Newsbox by Monday, September 24, 2012. In the interim, schools should refer to the SAIG version of the report for the complete and correct information.

Another resource to monitor unsubstantiated funds is the "Cash > Accepted & Posted Disbursements & Older than 30 Days" field on the COD Web site's School Summary Information screen. This information is available by Program and Award Year and is updated daily.

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

- **Second 2011-2012 Pell Grant Deobligation Due to Verification Status "W" (08/21/12)**

On August 20, 2012, Federal Student Aid deobligated 2011-2012 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 6, 2012, 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 226 schools.

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

- Receive a PGTX (PGTX12OP 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 (CRND12OP 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 20, 2012, 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 2011-2012 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 2011-2012 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 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.



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 regarding the 2011-2012 Pell Grant deobligation of disbursements due to verification status “W,” contact the COD School Relations Center.

• **Loan Servicing Information – EdManage joins Federal Loan Servicer Team (08/21/12)**

Federal Student Aid has announced the newest member of its federal loan servicer team, EdManage. For more information about this new servicer, please see the [August 20, 2012 Electronic Announcement](#).

• **Improvements to Financial Awareness Counseling Links on StudentLoans.gov Web site (08/17/12)**

It has come to Federal Student Aid’s attention that the order in which Financial Awareness Counseling and Entrance Counseling are presented on the [StudentLoans.gov Web site](#) has caused confusion for some borrowers. These borrowers who must complete Entrance Counseling are completing only the Financial Awareness Counseling, which, as Federal Student Aid has previously communicated, does not meet the regulatory requirements for Entrance Counseling.

In mid September, Federal Student Aid plans to implement changes to remedy the situation. For complete information, refer to the [August 16, 2012 Electronic Announcement](#) posted on the Information for Financial Aid Professionals (IFAP) Web site.

• **Pell Grant Lifetime Eligibility Used: Importance of Timely Reporting (08/15/12)**

Federal Student Aid has posted an Electronic Announcement that reminds institutions of the importance of timely reporting of Pell Grant disbursements (and adjustments) to mitigate the possibility of Pell Grant overpayments, particularly when students transfer from one institution to another. Timely reporting will allow Federal Student Aid systems to provide other institutions with more timely Pell Grant Lifetime Eligibility Used (LEU) data and prevent the possibility of an overaward.

For complete information, refer to the [August 13, 2012 Electronic Announcement](#) posted on the Information for Financial Aid Professionals (IFAP) Web site.

• **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.

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## CURRENT ISSUES

### DIRECT LOANS

#### **RESOLVED - COD Reject Edits 142 and 144 Hitting Incorrectly for Direct Subsidized Loans and Direct Unsubsidized Loans in Certain Cases (08/23/12)**

Earlier this month, Federal Student Aid determined that some schools were 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 were incorrectly triggered in cases when a school sent changes for an award that 1) only had anticipated disbursements [Disbursement Release Indicator (DRI) = false] **and** 2) had been reduced to zero.

Federal Student Aid resolved this issue on August 13, 2012. If a school withheld corrections until the fix was implemented, it may now send those corrections. The school should document the delay in submitting the corrected records, 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 caused schools. If you have additional questions about this issue, contact the COD School Relations Center.

### GRANTS

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

## REMINDERS

### **COD Holiday Schedule For September 3, 2012 (08/21/12)**

The COD School Relations Center will be closed on Monday, September 3, 2012 in observance of the Labor Day federal holiday. The COD System will accept and process data from schools and send back responses/acknowledgments on Monday, September 3, 2012, but schools will not be able to receive any federal funds on that day. Requests for changes in funding levels and for funds will not be processed until Tuesday, September 4, 2012.

Further information regarding Labor Day federal holiday processing and customer service hours for Federal Student Aid Customer Service or Processing Centers is posted in an [August 20, 2012 Electronic Announcement](#) on the Information for Financial Aid Professionals (IFAP) Web site.

### **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 (08/23/12)**

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 (08/24/12)**

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.	Included Tags for Foreign Addresses

		Territories	
3.0c or 3.0d	<AddressLine> <City> <StateProvinceCode> <PostalCode>	<StateProvince> <CountryCode>	<AddressLine> <City> <StateProvince> (Optional) <PostalCode> (Optional) <CountryCode>