



August 28, 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.

Direct Loan Program

COD News

2010-2011 COD Technical Reference Draft Now Available (08/24/09)

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Weekly Reminders



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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>

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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.



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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.

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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



Grant Programs

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

COD News

Second 2008-2009 ACG Deobligation Due to No Corresponding Pell Grant Warning Message (08/26/09)

On August 25, 2009, Federal Student Aid began processing a message to schools that have reported 2008-2009 Academic Competitiveness Grant (ACG) actual disbursements for a student who does not have a 2008-2009 Federal Pell Grant (Pell Grant) actual disbursement recorded in the COD System. The message is a warning that these disbursements will be considered overawards and reduced to a zero dollar amount (\$0.00), even if the disbursements were previously accepted in the COD System. The reduction of the affected disbursements is scheduled to occur on September 1, 2009.

Federal Student Aid sent the August 25, 2009 warning message to schools' Student Aid Internet Gateway (SAIG) mailboxes in the message class AGTX09OP. Additionally, Federal Student Aid sent a file of student records reported to the COD System that do not have a corresponding 2008-2009 Pell Grant actual disbursement in the Reconciliation Report message class AGRC09OP. Schools that receive the warning message should review the accompanying Reconciliation Report and, if applicable, report 2008-2009 Pell Grant disbursements for affected students before September 1, 2009.

Note Regarding Exception Process for No Corresponding 2008-2009 Pell Grant Due to R2T4 Calculation:

Some of the student records included in the Reconciliation Report may be for students who do not have a corresponding Pell Grant for the 2008-2009 Award Year due to the documented full repayment of the Pell Grant as a result of a Return of Title IV Funds (R2T4) calculation. A school can inform Federal Student Aid of the student records to which this exception applies by calling the COD School Relations Center by August 28, 2009. A customer service representative will collect the following information from the school via the phone:

- School's Name
- School's Pell ID and G5 Award Number
- Student's First and Last Names
- Student's Social Security Number (SSN)
- Student's Grade Level
- ACG Award ID
- ACG Award Amount



- ACG Award Year-to-Date Disbursement Amount

Upon notification that an R2T4 exception applies, Federal Student Aid will exclude the applicable student records from the reduction scheduled for September 1, 2009.

For complete information, refer to [the Electronic Announcement that will be posted on the IFAP Web site](#). If you have questions about the warning message or need to report an R2T4 exception (by August 28, 2009 as explained above), contact the COD School Relations Center.

Third and Final Pell Grant Administrative Cost Allowance Payments for 2007-2008 Award Year (08/24/09)

Federal Student Aid began processing the second Pell Grant Administrative Cost Allowance (ACA) payments for the 2007-2008 Award Year on August 22, 2009. Schools will begin to see these payments deposited directly into their bank accounts over the next few weeks.

For complete information about these ACA payments, refer to [the August 25, 2009 Electronic Announcement that is posted on the IFAP Web site](#).

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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.

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2.0e	<AddressForeignIndicator>>false </AddressForeignIndicator> (optional) <AddressLine> <AddressCity> <AddressStateProvinceCode> <AddressPostalCode>	<AddressForeignIndicator>>true </AddressForeignIndicator> <AddressCountryCode>
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TEACH Grant Operational Implementation Guidance – COD System Implementation and Guidance Summary (08/28/09)

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.



TEACH Grant – Institutional Participation Request Process Information (08/28/09)

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.