



# COD Processing Update

September 13, 2013

NEWS/UPDATES

- **COD Reporting NewsBox Outage Scheduled for September 20-23, 2013 (9/13/13)**

Due to system maintenance, the COD Reports area of the COD Web site will be unavailable from 12:01 A.M. (ET) Friday, September 20, 2013 until 8:00 A.M. (ET) on Monday, September 23, 2013. During this period, a school will not be able to access reports through its COD Reporting NewsBox.

We apologize for any inconvenience this outage may cause and appreciate your understanding and patience while we complete this important activity.

- **End of Federal Fiscal Year 2013 – Impact on Funds Availability (9/9/13)**

Monday, September 30, 2013 marks the end of the Federal fiscal year for the Department of Education (the Department). Some of the Department's core financial systems, including G5, will be on a modified processing schedule while the Department finalizes its processing and accounting for Fiscal Year 2013. These interruptions will impact how the Common Origination and Disbursement (COD) System will process financial data and when schools can obtain funds for the Federal student aid programs as follows:

- ***Monday, September 30, 2013 through Wednesday, October 2, 2013*** – The COD System will accept Federal Pell Grant (Pell Grant), Iraq and Afghanistan Service Grant, Teacher Education Assistance for College and Higher Education (TEACH) Grant, and William D. Ford Federal Direct Loan (Direct Loan) records. However, after 8:00 A.M. (ET) on Monday, September 30, 2013, Current Funding Level (CFL) changes (as a result of actual disbursements) and funding will not be processed until G5 re-opens.

All actual disbursements with a disbursement date from September 30, 2013 through October 2, 2013 must be received by the COD System ***no later than 8:00 A.M. (ET) on Monday, September 30, 2013***, and subsequently accepted by the COD System, in order to generate the appropriate funding level increase prior to the G5 shutdown. Disbursements submitted by the deadline but not subsequently accepted, disbursements submitted after the deadline, and disbursements with a disbursement date after October 2, 2013 will be funded once G5 re-opens.

- ***9:00 P.M. (ET) on Monday, September 30, 2013 through 5:00 P.M. (ET) on Tuesday, October 1, 2013*** – The [G5 Web site](#) will not be available. Schools will not be able to draw down Pell Grant, Campus-Based, Iraq and Afghanistan Service Grant, TEACH Grant, or Direct Loan funds during this period. Schools will be able to draw down under their existing authorizations after 5:00 P.M. (ET) on Tuesday, October 1, 2013.



- **Additional TEACH Grant Closeout Information for 2012-2013 Award Year (9/9/13)**

In a [June 7, 2013 Electronic Announcement](#), we provided Teacher Education Assistance for College and Higher Education (TEACH) Grant Closeout information for the 2012-2013 Award Year. This announcement provides additional information to supplement the previous guidance. As a reminder, to be considered successfully closed out, a school must--

- Have an Ending Cash Balance (Net Drawdowns – Total Net Booked Disbursements) of \$0 and Total Net Unbooked Disbursements of \$0, as reflected on its TEACH Grant School Account Statement (SAS) Report.

For detailed information about TEACH Grant Closeout for the 2012-2013 Award Year, refer to [the September 6, 2013 Electronic Announcement posted on the Information for Financial Aid Professionals \(IFAP\) Web site](#).

- **Pell Grant and Iraq and Afghanistan Service Grant 2012-2013 Award Year Processing Deadline (9/9/13)**

The Federal Pell Grant (Pell Grant) Program regulations at 34 CFR 690.83(a) establishes the deadline by which a school must submit student payment data each award year. The data must be submitted to the Department of Education (the Department) by September 30<sup>th</sup> following the end of the award year in which the Pell Grant or Iraq and Afghanistan Service Grant is made.

As required by regulations, and consistent with the “Applications, Reports, and Other Records for the 2012-2013 Award Year Notice” the final deadline for electronically transmitting Pell Grant and Iraq and Afghanistan Service Grant records for the 2012-2013 Award Year to the Common Origination and Disbursement (COD) System is **Monday, September 30, 2013**. The notice was originally published in the [Federal Register](#) on February 28, 2013.

In an attachment to this announcement titled “Pell Grant and Iraq and Afghanistan Service Grant 2012-2013 Award Year Processing Deadline,” we provide comprehensive information related to the Pell Grant and Iraq and Afghanistan Service Grant 2012-2013 Award Year processing deadline.

Additional information is posted in a [September 6, 2013 Electronic Announcement on the Information for Financial Aid Professionals \(IFAP\) Web site](#).

- **Update on Direct Loan Interest Rates Effective July 1, 2013 (8/12/13)**

On August 9, 2013, Federal Student Aid posted on the Information for Financial Aid Professionals (IFAP) Web site an update on the Direct Loan interest rates effective July 1, 2013. This communication provides important information on the new law that amends the Direct Loan interest rate section of the Higher Education Act of 1965, as amended (the HEA). For more information, refer to the [Electronic Announcement](#).

- **Credit Check Expiration Dates (8/5/13)**

As explained in previous communications, Federal Student Aid advised schools to delay sending some originations to the COD System until after June 28, 2013 when the system would be ready to process awards



with the new origination fees. Federal Student Aid also explained that in the cases where more than 90 days had elapsed between the date a borrower's credit check was completed and June 30, 2013, Federal Student Aid would not initiate another credit check if those awards are submitted to and accepted by the COD System by August 1, 2013.

Federal Student Aid understands that many schools are still adapting to the origination fee and other system changes. As a result, Federal Student Aid has implemented an additional 60 day window in which it will not initiate another credit check provided that the awards are **submitted to and accepted by the COD System by October 1, 2013**. On October 1, 2013, Federal Student Aid will initiate a credit check if it has been more than 90 days since the last credit check (or one is not on file) for awards submitted and credit checks completed on or after October 1, 2013. In addition, all credit checks expiration dates on file will change back to the original 90 day timeframe.

If you have additional questions about credit check processing, contact the COD School Relations Center.

- **Preliminary Information About New COD Common Record XML Schema 4.0a Planned for March 2014 (7/11/13)**

In March 2014, we plan to implement a new version of the Common Origination and Disbursement (COD) Common Record XML Schema. The new version - **4.0a** - of the COD Common Record XML Schema incorporates new tags related to the 150% Direct Subsidized Loan Limit.

Also in March 2014, we will begin to fully validate all Common Record files against the published COD Common Record XML Schema (versions 3.0d, 3.0e, and 4.0a). This means that if a school submits a Common Record that does not conform to the published schema format, **it will not be acknowledged or processed** by the COD System. The COD School Relations Center will contact a school that sends a Common Record that fails schema validation.

For more information, refer to a [July 11, 2013 Electronic Announcement](#) posted to the IFAP Web site.

## CURRENT ISSUES

### DIRECT LOANS

#### Direct PLUS Loan Rebuild Request Issue (9/12/13)

Federal Student Aid has researched an issue with Direct Loan Rebuild files that contain Direct PLUS Loan awards submitted with the origination fee percentage of 4.204%. The origination fee percentage of 4.204% is correct on the COD System, but Federal Student Aid is incorrectly populating the origination fee percentage field in the Direct Loan Rebuild file with 4.0%. Only the

origination fee percentage field is impacted; the disbursement amount fields (gross, fee, rebate, net) are correct. As a result, the origination fee percentage in the school's system may reflect 4.0% incorrectly for some Direct PLUS Loan awards.

The issue impacts Direct Loan Rebuild files with Direct PLUS Loan awards requested since July 1, 2013. Federal Student Aid is working to correct this issue going forward. After the fix is in place, a school can re-request a new Direct Loan Rebuild file. 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.

## GRANTS

There are no Grant-related issues at this time.

## REMINDERS

### **Keep School Contact Information Current in the COD System (9/13/13)**

We remind schools and third party servicers that contact information in the COD System must be kept current. Contact information is extremely important for us to be able to reach the right people at the school, particularly about program-specific issues. The e-mail addresses for the President, Financial Aid Administrator, Pell Grant Financial Aid Officer, and Direct Loan Financial Aid Officer are used to deliver time-sensitive materials and critical COD processing information to the school.

Having current contact information for the Pell Grant Financial Aid Officer and Direct Loan Financial Aid Officer is most critical for a school that is an additional location to a main campus. The information allows us to contact those officers directly at the additional location rather than needing to contact the main campus.

For more information on updating School Contact Information, please refer to [the December 20, 2012 Electronic Announcement posted on the Information for Financial Aid Professionals \(IFAP\) Web site.](#)