October 17, 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, October 19, 2008 (10/15/08)
The COD System will undergo routine maintenance on Sunday, October 19, 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.

- 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 COD 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, October 18, 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, October 18, 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.

NEW!

Direct Loan Bulletin 08-23 Released (10/17/08)

Direct Loan Bulletin 08-23 was released to schools from the COD School Relations Center on October 16, 2008 and is posted on the Information for Financial Aid Professionals (IFAP) Web site. Earlier this year, we notified schools about the Federal Student Aid data center relocation through Electronic Announcements posted on IFAP Web site. As a result of the relocation, the URLs for the Direct Loan Servicing Web sites for schools and borrowers have changed. Use of the old URLs will end soon and may impact browser bookmarks or current links on school Web sites. Please review this bulletin to determine the impact on your school and its borrowers.

If you would like to be added to or removed from the Direct Loan Bulletin distribution list, please submit an e-mail to CODSupport@acs-inc.com with the subject line of "DLB Distribution".

Financial Data Processing Facilities Move – Impact on Funds Availability (10/10/08)

As explained in an October 9, 2008 Electronic Announcement on the Information for Financial Aid Professionals (IFAP) Web site, the Department of Education's (the Department's) Deputy Chief Financial Officer recently disseminated a letter informing the community that the Department is in the process of moving its financial data processing facilities. During the transition period, G5 (formerly GAPS) will be unavailable *from 3:00 P.M. (ET) on Friday, November 21, 2008 through 6:00 A.M. (ET) on Monday, December 1, 2008.*

This interruption will impact how the COD System will process financial data and when a school can obtain funds for the Federal student aid programs. In preparation for the shutdown, all schools should review the October 9th Electronic Announcement and the impact information below.

Note: While the financial data processing facilities move will impact financial processing for a short period of time as explained below, once completed, there will be no change to how users interface with G5 via the G5 Web site or receive funds under either the ACH or FEDWIRE payment system on a regular basis.

Impact Information

The impact on how the COD System will process financial data and when a school can obtain funds for the Federal student aid programs is as follows:

- *Thursday, November 20, 2008 through Sunday, November 30, 2008* – The COD System will accept Academic Competitiveness Grant (ACG), Federal Pell Grant (Pell Grant), National Science and Mathematics Access to Retain Talent Grant (National SMART Grant), Teacher Education Assistance for College and Higher Education (TEACH) Grant, and William D. Ford Federal Direct Loan (Direct Loan) records. However, after 10:00 A.M. (ET) on Thursday, November 20, 2008, Current Funding Level (CFL) changes (as a result of actual disbursements) and funding will not be processed by G5 until Monday, December 1, 2008.

  Records for disbursements that a school plans to make during the period November 20, 2008 through December 1, 2008 and that need to be funded prior to the shutdown must be received by the COD System *no later than 10:00 A.M. (ET) on Thursday, November 20, 2008,* and subsequently accepted by the COD System, in order for them to be included in the funds available for drawdown prior to the shutdown. Disbursements submitted by the deadline but not subsequently accepted, disbursements submitted after the deadline, and disbursements with a disbursement date after December 1, 2008 will be funded after G5 re-opens on December 1, 2008.

  Note: As a reminder, COD System business rules related to the acceptance of future-dated actual disbursement records always apply.

- *3:00 P.M. (ET) on Friday, November 21, 2008 through 6:00 A.M. (ET) on Monday, December 1, 2008* – The G5 Web site will not be available. A school will not be able to draw down Campus-Based, ACG, National SMART Grant, Pell Grant, TEACH Grant, or Direct Loan funds during this period. In addition, G5 Hotline customer service representatives will be limited in the assistance they will be able to provide during this period, as they too will be unable to access G5 and complete draw downs (and other actions) for customers.

  Note: In some cases, a school will be unable to operationally comply with returning cash to the Department within the timeframes specified in the Cash Management regulations at 34 CFR 668.166. The school will be considered to be in compliance with the excess cash requirements provided that the school disburses such funds to eligible students (or parents) by the end of the shutdown period and/or promptly returns such funds to the Department when G5 resumes processing on December 1, 2008.

The Department appreciates your patience and understanding as it completes this important activity during the upcoming period. All financial processing is expected to be caught up by Thursday, December 4, 2008.
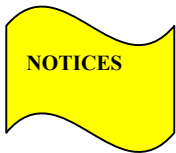
Peak Processing Reminder – Schools May Not Receive Acknowledgements/Responses As Quickly As Usual (08/27/08)
As a reminder, the COD System processes a large volume of data during this time of year, and it may take a little longer than usual to complete daily processing.

We appreciate schools' patience during this peak processing period and request that a school wait 24 hours after sending a batch to the COD System before contacting the COD School Relations Center to report a missing acknowledgement/response. If the school does not receive the acknowledgement/response within 24 hours after sending the batch, the COD School Relations Center will research the situation and ensure that the acknowledgement/response is sent to the school's Student Aid Internet Gateway (SAIG) mailbox.

Thank you for your patience and understanding during this period.

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.

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

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TEACH Grant Operational Implementation Guidance – COD System Implementation and Guidance Summary [07/01/08 (Updated 10/03/08)]
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. During the period September 26-27, 2008, Federal Student Aid implemented COD System functionality that supports TEACH Grant reporting functions.

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.

- 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 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 for the 2008-2009 Award Year. These listings are posted as Electronic Announcements.

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.

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.

Issue Resolution – Incorrect Format In Two Fields On 2008-2009 YTD Records (10/10/08)
Federal Student Aid previously identified a format issue with 2008-2009 Year-to-Date (YTD) Records for the Academic Competitiveness Grant (ACG), Federal Pell Grant (Pell Grant), and National Science and Mathematics Access to Retain Talent Grant (National SMART Grant) programs sent to schools' Student Aid Internet Gateway (SAIG) mailboxes. These reports may have been automatically generated by the COD System or requested by a school via the COD Web site or batch data request from March 16, 2008 forward.

In short, a school has been able to import the affected reports; however, Percent Eligibility Used and Total Percent Eligibility Used fields within the reports were not formatted as outlined in Volume VI, Section 8 of the 2008-2009 COD Technical Reference. As a result, the percentages reflected in the reports were incorrect.

On September 25, 2008, Federal Student Aid implemented a code fix that resolved this issue for the 2008-2009 ACG YTD Record (AGYR09OP), National SMART Grant YTD Record (SGYR09OP), and Pell Grant YTD Record (PGYR09OP). A school that needs a corrected report can now submit a request via the COD Web site or batch data request.

Note: As Federal Student Aid previously communicated, this issue also affected 2008-2009 Multiple Reporting Records (MRRs). Federal Student Aid has not yet resolved this issue for 2008-2009 MRRs. This issue as well as other issues with 2008-2009 MRRs are communicated in "Issue Alert – Multiple Issues With 2008-2009 ACG, National SMART Grant, and Pell Grant MRRs."

Federal Student Aid apologizes for the inconvenience caused by the YTD Record formatting issue and appreciates your patience and understanding as it completed its work. If you have questions about 2008-2009 YTD Records, contact the COD School Relations Center.

Issue Alert – Multiple Issues With 2008-2009 ACG, National SMART Grant, and Pell Grant MRRs (10/10/08)
On September 12, 2008, Federal Student Aid identified a format issue with 2008-2009 Multiple Reporting Records (MRRs) for the Academic Competitiveness Grant (ACG), Federal Pell Grant (Pell Grant), and National Science and Mathematics Access to Retain Talent Grant (National SMART Grant) programs that have been sent to schools' Student Aid Internet Gateway (SAIG) mailboxes since March 16, 2008. These reports may have been automatically generated by the COD System or requested by a school via the COD Web site or batch data request.
In short, the issue that was identified initially involves the formatting of Percent Eligibility Used and Total Percent Eligibility Used fields within reports. These fields are not formatted as outlined in Volume VI, Section 8 of the 2008-2009 COD Technical Reference.

Through its work to resolve the issue that was identified initially, Federal Student Aid has identified other issues with the 2008-2009 ACG MRR (AGMR09OP), National SMART Grant MRR (SGMR09OP), and Pell Grant MRR (PGMR09OP). None of the issues identified to date impact a school's ability to import the affected reports.

Federal Student Aid is working on code fixes to resolve the issues outlined below. The issues fall into three categories—those that affect all three MRRs, those that affect only the ACG and National SMART Grant MRRs, and those that affect only the Pell Grant MRR.

Notes:

1) Two of the issues also affect 2007-2008 MRRs. The issues that impact both 2007-2008 and 2008-2009 MRRs are identified in the tables below.

2) None of the issues affect the 2008-2009 Teacher Education Assistance for College and Higher Education (TEACH) Grant MRR that was recently implemented for COD System generation when applicable.

2008-2009 ACG, National SMART Grant, and Pell Grant MRRs
Sent to SAIG Mailboxes (AGMR09OP, SGMR09OP, and PGMR09OP)
• The format for Percent Eligibility Used and Total Percent Eligibility Used fields is 0000000. The last four digits should represent less than one percent. A Percent Eligibility Used of 25.02 percent should be reflected as 0250200. Instead, it is incorrectly reflected as 0002502. As a result, the percentages reflected in the reports are incorrect.   *Note:* All Percent Eligibility Used and Total Percent Eligibility Used calculations stored in the COD System, reflected on the COD and National Student Loan Data System (NSLDS) Web sites, and provided on Institutional Student Information Records (ISIRs) are accurate.   • Each Percent Eligibility Used or Total Percent Eligibility Used amount in a row should correspond to the school identified in the same row. In some cases, this information does not correspond correctly or is populated with invalid values.

2008-2009 ACG and National SMART Grant MRRs
Sent to SAIG Mailboxes (AGMR09OP and SGMR09OP)

- The format for Scheduled Award field is 0000000. The last two digits should represent zero cents. A Scheduled Award of $4000.00 should be reflected as 0400000. Instead, it is incorrectly reflected as 0004000. As a result, the scheduled award amounts reflected in the reports are incorrect.

- The Institution Street Address – Line 1 field value should be populated in positions 115-149. The information is not populating as it should.

- Concurrent Enrollment information should reflect all awards reported by all schools that have the same student enrolled and awarded for the same period of time. For some schools that have reported more than one award for the affected student and enrollment period, only information about the student's first award is reflected.

  Note: This issue also impacts the 2007-2008 ACG MRR (AGMR08OP) and National SMART Grant MRR (SGMR08OP).

2008-2009 Pell Grant MRRs
Sent to SAIG Mailboxes (PGMR09OP)

- Record Type field values PR and PB, which respectively indicate the school that first disbursed funds and the school (or schools) that subsequently disbursed funds to a student in a Potential Overaward Process (POP) situation, are not correctly reflected. In addition, POP notification records within some reports are reflected more than once.

  Note: This issue also impacts the 2007-2008 Pell Grant MRR (PGMR08OP).

After Federal Student Aid has resolved these issues, a school will be able to request corrected reports via the COD Web site or batch data request. Federal Student Aid will update this communication after the issues have been resolved.

Federal Student Aid apologizes for the inconvenience caused by these issues and appreciates your patience and understanding as it completes its work. If you have questions about these issues, or experience issues with any COD reports, contact the COD School Relations Center.