

**Additional COD System Changes – October 2016  
Attachment to October 2016 Electronic Announcement**

This document highlights the processing function enhancements and modifications we will implement during the October 28-30, 2016 period. We cover the information in the following order:

- Changes Impacting All Programs
- Changes Impacting the Direct Loan Program
- Changes Impacting the Pell Grant Program
- Changes Impacting the Pell Grant and the TEACH Grant Programs
- Changes Impacting StudentLoans.gov Website
- Changes Impacting the TEACH Grant Program

**Changes Impacting All Programs**

The following changes will impact the COD System processing of 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) awards.

**Experimental Sites Initiative Reporting Tool Available on the COD Web Site**

The Department of Education (the Department) has approved select schools to participate in one or more new experiments under the Experimental Sites Initiative (ESI), as authorized by Section 487A(b) of the Higher Education Act (HEA).

Beginning October 30, 2016, we will add an ESI Reporting Tool to the COD Web Site. The link will appear on the School Information tab, but will only be available to schools selected to participate in the approved experiments. The tool will allow schools to be able to download a reporting template and then upload the completed report via the COD Web Site. Additional guidance about the tool will be provided to participating schools in the near future.

**Changes Impacting the Direct Loan Program**

The following changes will impact the COD System processing of Direct Subsidized Loan, Direct Unsubsidized Loan, and Direct PLUS Loan awards.

**COD System Changes for 150% Direct Subsidized Loan Limit**

Beginning October 30, 2016, we will make changes to the COD System that will modify how we calculate the Subsidized Usage Period. We will also modify existing COD System edits as well as add new edits. For detailed information about the specific changes for the 150% Direct Subsidized Loan Limit, refer to 150% Direct Subsidized Loan Limit Electronic Announcement #23 posted on the IFAP website.

## **Direct PLUS Loan Requests - Updated Borrower Default Status Check Process**

Beginning November 20, 2016, we will check a borrower's default status when a Direct PLUS Loan Request is completed. A parent borrower will no longer be asked to self-certify that he or she is not in default. Instead, we will use information from the National Student Loan Data System (NSLDS<sup>®</sup>) to determine a borrower's default status. **Note:** While included in this announcement, full implementation of this enhancement will occur on November 20, 2016.

The borrower's default status will be displayed on the Review and Completed Documents page on the StudentLoans.gov website. We will continue to process the Direct PLUS Loan Request regardless of the borrower's default status. However, if the borrower is in default, the borrower will receive a warning message that he or she may not be eligible for a Direct PLUS Loan unless satisfactory payment arrangements have been made.

With this change, schools will be notified of a borrower's default status via the Direct PLUS Loan application (SP) system-generated response. The borrower's default status will appear in the <DefaultOverpayCode> tag. A school will receive one of the following values:

- 'Y' – The borrower is in default on any federal student loan
- 'N' – The borrower is not in default on any federal student loan
- 'E' – Unable to determine if the borrower is not in default on any federal student loan (**Note:** In this case, a school may need to request additional information from the borrower.)

**Note:** Between October 30, 2016 and full implementation of the change on November 20, 2016, schools will only receive a value of "E" in the SP response.

Schools will also be able to view and search the borrower's default status on the COD Web Site. This change will apply to all award years.

**Note for EDEExpress Users:** Schools will need to download an update to the 2016-2017 EDEExpress software (planned for release on October 28, 2016). The release will update the Direct Loan module of the EDEExpress software to correctly process the value of "E" in the CRSP file. Detailed information regarding the update to the 2016-2017 EDEExpress software will be posted in a forthcoming Electronic Announcement on the IFAP website.

For more information about processing aid for borrowers who are in default, refer to the Federal Student Aid Handbook.

## **Changes Impacting the Pell Grant and Iraq and Afghanistan Service Grant Programs**

The following changes will impact the COD System processing of Pell Grant and Iraq and Afghanistan Service Grant Awards.

### **Enrollment Date and Payment Period Start Date fields will no longer be "correcting" fields on Pell Grant and Iraq and Afghanistan Service Grant Awards**

Beginning October 30, 2016, we will reject Pell Grant and Iraq and Afghanistan Service Grant records submitted with a value outside the valid date range for both the Enrollment Date and Payment Period Start Date fields. The change will apply to both Pell "rejecting" and Pell "correcting" schools. This change will apply to the 2016-2017 Award Year and forward.

- Schools will receive a *Reject Edit 996 - Invalid Value* if they submit a value outside the valid date range for these two fields.

- Schools will no longer receive a *Warning Edit 995-Invalid Value; Correction Applied* for these two fields.

### **Changes Impacting the Federal Pell, Iraq and Afghanistan Service, and TEACH Grant Programs**

The following changes will impact COD System processing of Federal Pell Grant (Pell Grant), Iraq and Afghanistan Service Grant, and TEACH Grant awards.

#### **Valid date range expansion for Enrollment Date and Payment Period Start Date fields on Pell Grant, Iraq and Afghanistan Service Grant, and TEACH Grant awards**

Beginning October 30, 2016, we will expand the valid date ranges for the Enrollment Date and Payment Period Start Date fields by changing the earliest valid date from January 1<sup>st</sup> to October 1<sup>st</sup> of the year prior. The new valid date range for these fields is identified in the table below. This change will apply to the 2015-2016 and forward.

#### **Valid Date Ranges for Enrollment Date and Payment Period Start Date Grants Fields**

<b>Field Name (Grants)</b>	<b>2015-2016</b>	<b>2016-2017</b>	<b>2017-2018</b>
<b>&lt;Enrollment Date&gt;</b>	2014-10-01 to 2016-06-30	2015-10-01 to 2017-06-30	2016-10-01 to 2018-06-30
<b>&lt;PaymentPeriodStartDate&gt;</b>	2014-10-01 to 2016-06-30	2015-10-01 to 2017-06-30	2016-10-01 to 2018-06-30

**Note for EDExpress Users:** The new valid date ranges will be updated in the Pell Grant module of the EDExpress software for the 2017-2018 Award Year and forward. Schools submitting any TEACH Grant awards or 2016-2017 and prior Pell Grant awards using dates that fall within the updated range should make the changes via the COD Web Site.

### **Changes Impacting StudentLoans.gov Website**

The following changes will be made to the StudentLoans.gov website.

#### **Improved Compatibility for Users Accessing StudentLoans.gov Website Via Mobile Devices**

Beginning October 30, 2016, we will modify the StudentLoans.gov website to allow users to access StudentLoans.gov website functionality on their desktop and mobile browsers and devices (desktops, laptops, tablets, phones, etc.). The pages and processes have been modified for easier viewing on mobile devices.

Also, users will be able to login directly on the landing page of the process flows (for example, entrance counseling). Upon log-in, the user will be able to immediately start the counseling process flow instead of being sent to the home page first.

#### **Loan Servicing Forms – New Library and Servicing Form Navigator Tool**

Beginning October 30, 2016, we will update the StudentLoans.gov website to include information and applicable application forms related to federal loan servicing (such as forms for deferment, forbearance, loan forgiveness, etc.). We will also include some borrower servicing forms related to the Federal Perkins Loan Program. In addition, we will add a new Servicing Form Navigator tool.

The new Navigator tool will assist borrowers in locating the desired servicing application form(s). The questionnaire tool will be available to users inside and outside of the StudentLoans.gov website log-in.

The Navigator tool will provide borrowers with a series of questions. Based on the answers submitted by the borrower, the tool will narrow the number of available servicing forms that match the selected answers. The tool will serve as a detailed guide to help borrowers find a set of servicing forms based on their specific situation if they do not know the form name or the form category that they want.

Once a user has completed the questionnaire they will be able to immediately download the PDF form for completion or have the applicable form names emailed to them for lookup and completion at a later time.

## Updated Forms and Processes

In addition to adding the forms library described above, we will update the StudentLoans.gov website with the most recently approved versions of the forms (both the PDF versions and in the electronic process flows).

- *Direct Consolidation Loans* – We will update the website to use the most recently approved version of the following forms:
  - Direct Loan Consolidation Application and Promissory Note
  - Direct Loan Consolidation Application and Promissory Note Instructions
  - Direct Loan Consolidation Additional Loan List
  - Direct Loan Consolidation Request to Add Loans
- *2016 Revised Income-Driven Request (IDR) Form* – We will update the website to use the most recently approved version of the form.

**Note:** Prior to October 28, 2016, we will send an email to all borrowers who have an IDR or IDR/DCL application in a 'Pending' status. These informational e-mails will inform borrowers that they must complete the pending IDR or IDR/DCL application before October 28, 2016 or it will expire. Once expired, the borrower will have to restart the process with a new application.

- *Correspondence* - We will update electronic correspondence and notifications to reflect the StudentLoans.gov Web site design changes.
- *Counseling Questions & Answers* - The "Check Your Knowledge" section of all counseling sessions will be updated to reflect recent regulatory and program changes.
- *Revised Direct Subsidized/Unsubsidized Loan MPN and Direct PLUS Loan MPN* – We will update the website to use the most recently approved versions of the MPNs. **Note:** Paper versions of the revised MPNs will be available on the [FSA Pubs website](#). Detailed information for schools that will print or use paper of the revised Direct Subsidized/Unsubsidized Loan MPN and Direct PLUS Loan MPN will be posted in a forthcoming Electronic Announcement on the IFAP website.
- *Updated Repayment Estimator for Income-Driven Repayment and Direct Consolidation Loan Process* - Repayment Estimator was updated to show Public Service Loan Forgiveness (PSLF) estimates and the loans (e.g., Federal Family Education Loans) that are being excluded from a repayment plan monthly payment amount.

## **Direct Consolidation Loan Process Flow Changes**

Beginning October 30, 2016, borrowers will see a redesigned Direct Consolidation Loan Process Flow and a new Direct Consolidation Loan landing page. On this landing page, all borrowers will be able to preview the Direct Consolidation Loan application flow, print paper application forms, or log in to begin the electronic version of the consolidation application. The former Direct Consolidation Loan (DCL) Paper Application page will be retired.

As part of the electronic process flow enhancements, we will provide more information to the borrower such as showing a borrower's Total Education Indebtedness or allowing a borrower to add Perkins Loans.

**Note:** The "Select Loans to Consolidate" section will be updated to identify Perkins Loans separately from all other loan types. For Perkins Loans, the default setting for the "Selected to Consolidate" field will be unchecked. Borrowers will be allowed to "Select" the Perkins Loans they wish to consolidate; however, if they do so, the borrower will receive a warning message indicating the borrower has selected a Perkins Loan for consolidation and the consequences of including them in the consolidation.

## **Changes Impacting the TEACH Grant Program**

The following changes will be made to the TEACH Grant program.

### **TEACH Grant Website Integration with StudentLoans.gov Website**

Beginning October 30, 2016, the Department will retire the TEACH Grant website and all current TEACH Grant website functionality will be integrated into the StudentLoans.gov website. A new TEACH Grant page will be created on the StudentLoans.gov website home page to provide borrowers with a single point of entry to the TEACH Grant processes.

#### **Notes:**

1. For a period of time, we will redirect users visiting the TEACH Grant website to the StudentLoans.gov website. Schools that have bookmarked any of the TEACH Grant website pages or reference it in any materials should update those references to the StudentLoans.gov website at the earliest point possible after October 30th.
2. All current TEACH Grant counseling (AC) system-generated responses and Agreement To Serve (AT) system-generated responses will continue as they currently do and will not be updated with this implementation.

Borrowers will be able to complete and submit TEACH Counseling electronically upon log in. In addition, the "My Documents" page will be updated to allow for borrower to be able to view completed TEACH Grant documents along with all loan documents, as applicable.

### **Correcting Edit 219 - Award Amount was greater than the sum of the Disbursement Amount(s)**

Beginning October 30, 2016, a new Correcting Edit 219 will be added for TEACH Grants for the 2016–2017 Award Year and forward. When a school submits a maintenance record to reduce the disbursement(s) on a TEACH Grant award without also reducing the award amount, the COD System will correct the award amount to equal the new sum of the actual and anticipated disbursements.

The updated award amount will be returned to the school in the Common Record response (COMREC, CRTH, CRAA) within the existing <ResponseErrorValue> tag.

**Note:** This enhancement also applies to Direct Loans (see 150% Direct Subsidized Loan Limit Electronic Announcement #23 for more information).