



# COD Processing Update

October 19, 2012

## NEWS/UPDATES

- **Revised Master Promissory Note for Direct Subsidized and Direct Unsubsidized Loans (10/19/12)**

Federal Student Aid is pleased to announce the availability of a revised Master Promissory Note (MPN) for Federal Direct Stafford/Ford Loans and Federal Direct Unsubsidized Stafford/Ford Loans (Direct Subsidized/Unsubsidized Loan MPN). Detailed implementation guidance for schools that will **print and use paper versions** of the revised Direct Subsidized/Unsubsidized Loan MPN is provided in an [October 19, 2012 Electronic Announcement](#) posted on the IFAP Web site.

- **OUTAGE ALERT—Federal Student Aid Web Site and System Outages Scheduled for October 28, 2012 (10/19/12)**

On October 28, 2012, Federal Student Aid plans to execute extended system maintenance and operating system upgrades that will impact several Federal Student Aid Web sites and systems. This work is in addition to the regular weekly maintenance that occurs each weekend.

For complete information about the Federal Student Aid Web site and system outages, refer to the [October 19, 2012 Electronic Announcement](#) posted on the Information for Financial Aid Professionals (IFAP) Web site.

### Web site Outage Information

From 12:00 A.M. until 11:00 A.M. (ET) on Sunday, October 28, 2012—

- An individual will not be able to complete online Direct Loan Entrance Counseling, complete a new Master Promissory Note (MPN) electronically, complete a Direct PLUS Loan Request electronically, endorse a Direct PLUS Loan electronically or view loan correspondence via the [StudentLoans.gov Web site](#).
- An individual will not be able to complete TEACH Grant Initial and Subsequent Counseling, complete a new TEACH Grant Agreement to Serve (ATS), or retrieve an existing ATS via the [TEACH Grant Web site](#).

### Contact Information

Federal Student Aid appreciates your patience and understanding as it completes this important activity. If you have any questions about the StudentLoans.gov Web site or the TEACH Grant Web site, contact the COD School Relations Center.

- **Third 2011-2012 Pell Grant Deobligation Due To Verification Status "W" (10/17/12)**

On October 17, 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 October 4, 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 117 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 October 17, 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 ask for administrative relief according to the instructions in [the September 6, 2012 Electronic Announcement and attachment posted on the Information for Financial Aid Professionals \(IFAP\) Web site](#).
- 2) The school must send an update to the verification status of the award, and the COD System must accept the update.
- 3) 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 2 and 3 above in the same submission to the COD System if reported in the same student record.

For more information on how to request Administrative Relief or Extended Processing for the Iraq and Afghanistan Service Grant or Pell Grant Program schools should refer to [the September 6, 2012 Electronic Announcement and attachment posted on the Information for Financial Aid Professionals \(IFAP\) Web site](#).

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.

- **TFA Information - Token Distribution and E-mails for Schools in Group 9 (10/12/12)**

Federal Student Aid is currently completing a phased distribution of tokens and token information to schools. Working with Primary Destination Point Administrators (PDPAs) and Common Origination and Disbursement (COD) Security Administrators, Federal Student Aid is distributing the tokens to one group of schools at a time. Each group is comprised of the schools located in a particular set of states.

For complete information on token distribution for schools in Group 9, refer to the [October 12, 2012 Electronic Announcement](#) posted on the 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.



## CURRENT ISSUES

### DIRECT LOANS

There are no Direct Loan specific issues to report at this time.

### GRANTS

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

### REMINDERS

#### COD Computer-Based Training (09/28/12)

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 (09/29/12)

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. Territory	Excluded Tags for Domestic Address, including U.S. Territories	Included Tags for Foreign Addresses
3.0c or 3.0d	<AddressLine> <City> <StateProvince Code> <PostalCode>	<StateProvince> <CountryCode>	<AddressLine> <City> <StateProvince> (Optional) <PostalCode> (Optional) <CountryCode>

#### Submitting Addresses for U.S. Territories and Foreign Countries via the COD Web Site

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), Jurisdictions, and Country Codes are



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*This edition 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*

provided in Volume VI, Section 4 of the [2010-2011 COD Technical Reference](#). If you have questions about this information, contact the COD School Relations Center.