

COD Processing Update

October 21, 2016

NEWS/UPDATES

- **Impact on COD Processing October 23, 2016 (10/19/16)**

Federal Student Aid is planning several system maintenance activities on October 23, 2016. 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. These activities will result in outages of certain COD System functionality for a period of time.

An explanation of how these activities will impact COD System availability and processing follows below. Please review this information to determine if processing at your school will be affected.

Extended COD System Maintenance

From 12:00 A.M. (ET) until 4:00 P.M. (ET) on Sunday, October 23, 2016—

- Users will not be able to submit or retrieve data via the [COD Web Site](#).
- Users will not be able to access the COD Reports area of the [COD Web Site](#).
- An individual will not be able to complete any actions or view loan correspondence via the [StudentLoans.gov website](#).
- An individual will not be able to complete any actions via the [TEACH Grant website](#).
- Batches submitted by schools via the SAIG will be held or schools will receive an error message informing them that the SAIG is unavailable and that the data must be transmitted at a later time.

Contact Information

Federal Student Aid appreciates your patience and understanding as it completes this important activity. If you have any questions about the COD System or the StudentLoans.gov website, contact the COD School Relations Center. If you have any questions about the SAIG, contact the CPS/SAIG Technical Support and the TFA Support Center at 800/330-5947 or by email at CPSSAIG@ed.gov.

- **Schools Must Process Drawdown In G5 To Receive Pell ACA Pymts (10/20/16)**

There are a number of schools that have not drawn down their Pell Grant Administrative Cost Allowance (ACA) payments for the 2014-2015 Award Year and/or the 2015-2016 Award Year.

Federal Student Aid would like to remind schools that their calculated Pell Grant ACA payment is posted in G5 as an Available Balance in the school's ACA G5 Award Number, P063Q14#### for the

2014-2015 Award Year and P063Q15#### for the 2015-2016 Award Year. **A school must sign in to the G5 website and process a drawdown transaction in G5 to receive the funds.**

For more information about this change, refer to the [January 27, 2016 Electronic Announcement](#) that is posted on the IFAP website

- **Third 2015-2016 Pell Grant Deobligation Due To Verification Status “W” (10/19/16)**

On October 18, 2016, Federal Student Aid deobligated 2015-2016 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 11, 2016, 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 118 schools.

A school affected by the deobligation will receive or see the following information:

- Receive a PGTX (PGTX16OP 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 (CRND16OP 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: This deobligation process will not affect a school that did not have students with a verification status of “W” just prior to October 18, 2016.

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 2015-2016 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 1, 2016 Electronic Announcement and attachment posted on the Information for Financial Aid Professionals \(IFAP\) website](#).
- 2) The school must send an update to the verification status of the award, and the COD System must accept the update.

Contact Information: If you have questions, contact the COD School Relations Center at 800/474-7268 for Grants or 800/848-0978 for Direct Loans. You may also e-mail CODSupport@ed.gov.

- 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 “Application and Verification Guide” of the [2015-2016 Federal Student Aid Handbook](#).
- 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 1, 2016 Electronic Announcement and attachment posted on the IFAP website](#).

If you have any questions regarding the 2015-2016 Pell Grant deobligation of disbursements due to verification status “W,” contact the COD School Relations Center.

- **[2017-2018 Pell Grant Payment & Disbursement Schedules Now Posted \(10/19/16\)](#)**

In [Dear Colleague Letter GEN-16-19](#), posted to the Information for Financial Aid Professionals (IFAP) website on October 18, 2016, Federal Student Aid provided the community with the Federal Pell Grant Payment and Disbursement Schedules for the 2017-2018 Award Year for full-time, three-quarter-time, half-time, and less-than-half-time students. All 2017-2018 Pell Grant awards must be based on the schedules attached to the letter. In forthcoming electronic announcements, Federal Student Aid will provide information about the operational implementation of the schedules in its systems, including the COD System. Please monitor the IFAP website for this forthcoming operational guidance.

- **Credit Check Processing Impact due to October 1 Free Application for Federal Student Aid (FAFSA®) Availability (9/13/16)**

With the 2017-2018 FAFSA available beginning on October 1, 2016, schools will be able to complete COD Web credit checks for 2017-2018 beginning on October 1, 2016. However, the start of COD System processing for the 2017-2018 Award Year is planned for late March 2017.

As a reminder, credit checks expire 180 days from the completion date. If more than 180 days has passed between the date the credit check was completed and the date the Direct PLUS Loan origination record is processed, a new credit check will be run. Therefore, it is important for schools to carefully consider the timeframe between completing a COD Web credit check and Direct PLUS Loan origination record processing for the 2017-2018 Award Year.

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

- **Operational Guidance on COD Reporting of Pell Grant Overpayments (9/7/16)**

Federal Student Aid recently reviewed Federal Pell Grant (Pell Grant) data in the Common Origination and Disbursement (COD) System and determined that some schools are incorrectly adjusting Pell Grant information due to a Pell Grant overpayment. Incorrect adjustments to Pell Grant information for overpayments may result in a student receiving more Pell Grant funds than he or she is eligible to receive and can result in an audit finding for a school.

In a September 6, 2016 Electronic Announcement and its attachment posted to the IFAP Web site, Federal Student Aid reminds schools when to report Pell Grant overpayments to the National Student Loan Data System (NSLDS) and when to make adjustments to Pell Grant information in the COD System. For complete information, refer to the September 6th Electronic Announcement.

CURRENT ISSUES

DIRECT LOANS

There are no Direct Loan-related issues at this time.

GRANTS

There are no Grants-related issues at this time.

Keep School Contact Information Current in the COD System (10/21/16)

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.](#)