



COD Processing Update

October 30th, 2015

NEWS/UPDATES

- **COD Computer-Based Training (10/21/15)**

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](#).

- **Third 2014-2015 Pell Grant Deobligation Due To Verification Status “W” (10/16/15)**

On October 14, 2015, Federal Student Aid deobligated 2014-2015 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 7, 2015, 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 87 schools.

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

- Receive a PGTX (PGTX15OP 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 (CRND15OP 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 14, 2015.

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 2014-2015 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 4, 2015 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 “Application and Verification Guide” of the [2014-2015 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 4, 2015 Electronic Announcement and attachment posted on the Information for Financial Aid Professionals \(IFAP\) Web site](#).

If you have any questions regarding the 2014-2015 Pell Grant deobligation of disbursements due to verification status “W,” contact the COD School Relations Center.

• **REMINDER - Direct Loan Origination Fees Change October 1, 2015 (8/27/15)**

As a reminder, the origination fees for Direct Subsidized Loans, Direct Unsubsidized Loans, and Direct PLUS Loans (for both parent and graduate student borrowers) change as of October 1, 2015 (see [Dear Colleague Letter GEN-15-07](#)). Additional operational guidance is provided in an [August 26, 2015 Electronic Announcement](#).

Schools should review these communications and review their systems and Direct Loan records to ensure the correct origination fee is being used.

• **Title IV Refund Issue in G5 (7/31/15)**

The Department of Education (the Department) is working to resolve a G5 system issue in which some users may receive an error stating "action failed: Pay.Gov is not available" when processing a refund. If you receive this error, contact the G5 Hotline at 888/336-8930 to confirm whether or not the refund was submitted successfully **before** any attempt at reprocessing the refund. Attempting to reprocess the refund



after receiving this error may result in a duplicate refund. **Note:** The G5 Hotline will provide confirmation of the refund within 1-3 business days; it will not be an immediate response.

The Department expects to resolve this issue with the next G5 system update planned for the middle of November. If you have additional questions about this issue or about G5, contact the G5 Hotline. You may also e-mail edcaps.user@ed.gov.

- **FY 2016 Sequester Required Changes to the Title IV Student Financial Assistance Programs (4/24/15)**

On April 23, 2015, the Department of Education posted updated information about the impact of sequestration on the Title IV Student Financial Assistance Programs. For more information, please refer to [Dear Colleague Letter GEN-15-07](#).

CURRENT ISSUES

DIRECT LOANS

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

GRANTS

There are no Grant-related issues at this time.

Keep School Contact Information Current in the COD System (10/30/15)

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](#).