

COD System Changes for PLUS Counseling Attachment to February 2015 Electronic Announcement

In this attachment, we highlight the Common Origination and Disbursement (COD) System changes specific to the new mandatory PLUS Counseling for parent and graduate/professional student Direct PLUS Loan applicants who are determined to have an adverse credit history, but qualify for a Direct PLUS Loan by obtaining an endorser or documenting extenuating circumstances. Information about other COD System changes that will be implemented during the March 27-29, 2015 period will be posted in a separate Electronic Announcement on the Information for Financial Aid Professionals (IFAP) Web site.

We cover the information in the following order:

- Summary of New PLUS Counseling Requirement
- New Tags in Common Record Responses
- System-Generated Responses
- Edits
- Reports
- COD Web Site
- Borrower Correspondence

Summary of New PLUS Counseling Requirement

In the [Federal Register notice posted on January 14, 2015](#) and in a [January 27, 2015 Electronic Announcement](#), the U.S. Department of Education (the Department) announced that it will implement changes to the adverse credit history provisions for the determination of an applicant's eligibility for a Direct PLUS Loan. The regulations also added a requirement that PLUS Counseling must be completed by Direct PLUS Loan applicants (by parents of dependent undergraduate students as well as graduate/professional students) with an adverse credit history who qualify for a Direct PLUS Loan by obtaining an endorser who does not have an adverse credit history, or who document to the satisfaction of the Department that there are extenuating circumstances related to the adverse credit information.

Note: As part of the system implementation, we will also update the COD System so that a credit check for a Direct PLUS Loan applicant will remain valid for 180 days instead of the current 90 days. Detailed information about this change will be posted in a separate Electronic Announcement on the IFAP Web site.

The new PLUS Counseling requirement will apply to all Direct PLUS Loan applicants with an adverse credit decision date on or after March 29, 2015, regardless of the academic year or loan period associated with the Direct PLUS Loan.

Direct PLUS Loan applicants with an adverse credit decision date prior to March 29, 2015 will not be required to complete the new PLUS Counseling. Additionally, Direct PLUS Loan applicants who are identified by the COD System as being eligible for reconsideration, regardless of their credit decision date, will not be required to complete PLUS Counseling.

While the completion of the new PLUS Counseling is required only for the Direct PLUS Loan applicants identified above, the new PLUS Counseling will also be made available for all Direct PLUS Loan applicants to complete on a voluntary basis.

Note: The new mandatory PLUS counseling for certain applicants who are determined to have an adverse credit history is a separate module and does not fulfill the entrance counseling requirement for first-time graduate/professional student Direct PLUS Loan applicants. Depending on a graduate/professional student's circumstances, he/she may have to complete **both** modules.

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New Tags in Common Record Responses

The COD System will return a new <CreditRequirementsMet> tag in Common Record, COD Web, and PLUS Application responses sent to schools in the 4.0b schema for all award years. The new tag will indicate if the applicant has met all of the *credit requirements* needed before a school can disburse a Direct PLUS Loan.

The credit requirements will be considered met when the Direct PLUS Loan applicant has:

1. An Accepted Credit Decision
OR
2. A Denied Credit Decision and has:
 - a. Obtained an endorser who does not have an adverse credit history
OR
 - b. Documented to the satisfaction of the Department that there are extenuating circumstances related to the adverse credit information
AND
 - c. Completed PLUS Counseling on the StudentLoans.gov Web site

Note: One PLUS Counseling session is required to fulfill the credit requirements for the duration of *each* denied credit decision regardless of the number of Direct PLUS Loans associated with that credit decision.

System-Generated Responses

Beginning March 29, 2015, we will make changes to some of the system-generated responses sent from the COD System.

Credit Status (CS) System-Generated Response

The COD System will send additional credit and PLUS Counseling information in a new system-generated Credit Status response. The Credit Status response will be award-year specific and will be sent using the message class CRCSxxOP, where xx is the applicable award year.

In the table below, we list the new tags that will be added to the 4.0b schema and returned in the Credit Status response:

Credit Status Response-Award Response Block (DLP Type)	
Tag Name	Description
CreditRequirementsMet	Indicates if all <i>credit requirements</i> have been met
CreditAppealStatus	Indicates that a credit appeal has been initiated and the status of the appeal
CreditActionStatus	Indicates any of the following conditions exist: <ul style="list-style-type: none"> • An endorser’s credit denial • A PLUS award endorsed for an amount less than the award amount • The borrower’s original credit decision has been updated from Pending to Approved or Denied
ReconsiderationEligible	Indicates if the borrower has been identified as being eligible for reconsideration
PLUSCounselingCompleted	Indicates if the PLUS Counseling has been completed
PLUSCounselingCompleteDate	Indicates the date PLUS Counseling was completed
EndorserApproved	Indicates an endorser addendum was received and whether the endorser was approved or denied

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Additional information about the new tags can be found in the [2015-2016 COD Technical Reference](#) and the COD XML [Common Record 4.0b Schema](#).

A Credit Status response will be sent for all active award years to schools that have a Direct PLUS Loan with an award amount greater than \$0, a Direct PLUS Request on file, or a COD Web Credit Check on file and there is a change to any of the values to the tags listed above.

The Credit Status response will be sent to schools once daily. Schools will also be able to request an updated system-generated response for a specific borrower via the new Credit Status Response Request page on the COD Web site (see the COD Web site section below).

Credit Override (CO) System-Generated Response

Beginning March 29, 2015, the existing Credit Override system-generated response (CRCOxxOP) will be discontinued and no longer sent to schools. The information previously returned in the Credit Override response will be returned in the new Credit Status Response.

PLUS Application (SP) System-Generated Response

Beginning March 29, 2015, the existing PLUS Application system-generated response (CRSPxxOP) will **only** be sent to schools when a Direct PLUS Loan applicant **first completes** the Direct PLUS Loan Request on the StudentLoans.gov Web site. Subsequent PLUS Application system generated-responses will no longer be sent when there is a change to the applicant's credit status or when an endorser addendum has been received. The information previously returned in a subsequent PLUS Application response will be returned in the new Credit Status Response.

Edits

A new disbursement level edit, COD Reject Edit 217 (Actual disbursement submitted with no PLUS Counseling on file) will be added for all award years. Edit 217 will be returned when a Direct PLUS Loan disbursement is submitted with a Disbursement Release Indicator (DRI) = true and the borrower is required to complete PLUS Counseling, but PLUS Counseling has not been completed.

More detailed information about this edit is provided in the [2015-2016 COD Technical Reference](#) (Volume II, Section 4).

Reports

Beginning March 29, 2015, we will add a new Weekly Credit Status Report and remove the Credit Check Reconsideration Eligibility Report.

Weekly Credit Status Report

A new Credit Status Report will be available to inform schools if a borrower's credit requirements have been met and if PLUS Counseling has been completed. The Credit Status Report will contain borrowers that have a valid credit check and a PLUS Request or Direct PLUS Loan on file who have not met the credit requirements, or have met the credit requirements within the past 30 days.

The report will be generated weekly in a comma-delimited (CSV) format and will be sorted ascending by Borrower Last Name. The report will be available in a school's Direct Loan Newsbox on the COD Reporting Web site.

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More detailed information about this report is provided in the [2015-2016 COD Technical Reference](#) (Volume VI, Section 8).

Note: Completed PLUS Counseling information will not be included in the existing weekly Counseling Report.

Credit Check Reconsideration Eligibility Report

Beginning March 29, 2015, the existing Credit Check Reconsideration Eligibility report will be discontinued and no longer sent to schools. The information previously contained in the Credit Check Reconsideration Eligibility report will be included in the new Credit Status Report.

COD Web Site

Beginning March 29, 2015, schools will see new fields on several COD Web site pages.

Counseling Search Page

COD Web site users will be able to search for completed PLUS Counseling sessions on the existing COD Web site Counseling Search page. To perform the search, a school user will use the Counseling Search page (under the Person tab). Users will only be able to search for completed PLUS Counseling sessions using a borrower's SSN.

Credit Check Information

The following new fields will be added to the Borrower Information on the existing Credit Check Information page:

- Appeal Status
- PLUS Counseling Completed
- PLUS Counseling Completion Date

Award Detail Information Page

The Credit Requirements Met field will be added to the Award Detail Information page on the COD Web site for Direct PLUS Loans.

Credit Status Response Request Page

A new Credit Status Response Request page will be added to allow a COD Web site user to re-request a Credit Status response with the borrower's most current credit status information be sent to the school. To make the request, a school user will use the Credit Status Response Request page (under the Batch tab). The user will enter a School ID and the borrower's SSN to submit the request.

Borrower Correspondence

All applicable correspondence sent to Direct PLUS Loan applicants by the Department (both paper and electronic) will be updated to include information regarding the additional PLUS Counseling requirement if the borrower chooses to pursue a Direct PLUS Loan by obtaining an endorser who does not have an adverse credit history, or documenting to the satisfaction of the Department that there are extenuating circumstances related to the adverse credit information.