

Subject: Reporting of Academic Year and Loan Period to COD for Direct Loans

Summary: This letter provides guidance and examples to schools related to how they must report the Direct Loan academic year and loan period dates to COD. This guidance is critical to the implementation of the 150 percent Direct Subsidized Loan time-limited eligibility provisions of Public Law 112-141.

On July 6, 2012, the Moving Ahead for Progress in the 21<sup>st</sup> Century Act (MAP-21) (Public Law 112-141) was enacted. MAP-21 added a new provision to the Direct Loan statutory requirements that limits a new borrower's eligibility for Direct Subsidized Loans. See HEA section 455(q). We will be providing further guidance (and webinar-based training) on the new Direct Subsidized Loan eligibility time limits as we develop a comprehensive set of implementation requirements for the new provision.

It is critically important for the implementation of the new section 455(q) provision that, beginning with the 2013-2014 processing year, schools accurately report academic year dates and loan period start and end dates for all types of Direct Loans (Direct Subsidized, Direct Unsubsidized, and Direct PLUS) to the Common Origination and Disbursement (COD) System. It is equally important that schools update a loan's previously reported loan period dates or academic year dates if the borrower's actual attendance during the loan period is different from the anticipated attendance that was the basis for the school's initial reporting to COD.

The following are some of the reasons that would require a school to update a loan's loan period or academic year:

- The borrower requests that a loan, or a disbursement of a loan, be cancelled;
- The borrower does not begin attendance, or does not begin attendance on at least a half-time basis, in a payment period that was included in the originally reported loan period and the school did not make any disbursements of the loan for that payment period;
- The school determines that the borrower is not eligible to receive a Direct Loan for a payment period that was part of the originally reported loan period. Reasons why the a borrower may have lost eligibility for the loan include: the borrower's failure to meet the school's satisfactory academic progress (SAP) standards, the borrower has a grant overpayment, or a change in financial circumstances that makes the borrower ineligible for a Direct Subsidized Loan;

- The borrower withdraws during a payment period that was included in the originally reported loan period and, as a result, the entire amount of the loan that was intended for that payment period is returned under the Return to Title IV aid calculation (R2T4); or
- For clock-hour programs, non-term credit hour programs, and certain types of non-standard term credit-hour programs, the borrower fails to progress to the next payment period or academic year as scheduled.

Under the COD schema, a Direct Loan's academic year and loan period are reported as follows:

- Academic Year - The academic year tags in the COD schema are <AcademicYearBeginDate> and <AcademicYearEndDate>. Schools must populate these tags with the exact beginning and ending dates of the academic year (the period to which the annual loan limit applies), and may need to update these dates based on the student's actual enrollment. A summer term that is treated as header or trailer to a scheduled academic year must not be included in the academic year dates unless the student will actually be receiving a Direct Loan for the summer.

Note that the academic year period for a Direct Loan that a school reports to the COD System is often not the same as the Title IV academic year that the school has established under the regulations at 34 CFR 668.3. This is often the case because of scheduled breaks during or between terms, or in clock-hour, non-term, or certain non-standard term credit-hour programs, because the borrower does not progress to the next academic year or payment period as originally scheduled.

- Loan Period - The loan period tags in the COD schema are <FinancialAwardBeginDate> and <FinancialAwardEndDate>. These tags must be populated with the exact dates of the loan period of the loan, and may need to be updated based on the student's actual enrollment.

### **Examples:**

While the following examples do not represent all possible scenarios, they do illustrate the concept of accurate reporting or updating of a loan's academic year or loan period for many of the most common scenarios. The examples are also intended to serve as a guide for other scenarios.

## STANDARD TERM CREDIT-HOUR PROGRAM EXAMPLES

For Examples 4-10 ~~1-8~~ that follow, the student is enrolled in a credit-hour program that is offered in semesters. The dates of those terms are as follows:

- 2013-2014 Academic Year:
  - Fall semester: August 26, 2013 – December 20, 2013
  - Spring semester: January 6, 2014 – May 9, 2014
  - Summer term: May 20, 2014 – August 1, 2014
  
- 2014-2015 Academic Year:
  - Fall semester: August 25, 2014 – December 19, 2014
  - Spring semester: January 5, 2015 – May 8, 2015
  - Summer term: May 18, 2015 – July 31, 2015

### Example 1: Borrower Attends for Full Academic Year

Susan enrolls in and attends the fall/spring scheduled academic year. Therefore, the origination record for Susan’s loan includes the dates of that scheduled academic year (August 26, 2013 and May 9, 2014). Schools must not report scheduled academic year dates that include a summer header or a summer trailer unless the student will actually be receiving a Direct Loan for the summer term.

<b>Student’s Enrollment Pattern</b>	
Anticipated	Actual
Fall and Spring	Fall and Spring

<b>School’s Reporting to COD</b>				
	Initial		Updated	
	Begin Date	End Date	Begin Date	End Date
<b>Loan Period</b>	August 26, 2013	May 9, 2014	No Update	No Update
<b>Academic Year</b>	August 26, 2013	May 9, 2014	No Update	No Update

If Susan had been expected to enroll in the summer term, which the school treats as a trailer to the scheduled academic year, the origination record would have included August 1, 2014 as the academic year end date. Examples 6 and 7 provide information on reporting of summer loans.

### Example 2: Borrower Withdraws After Completing One Semester

Susan (from Example 1), whose loan was originally intended to cover both the fall and spring semesters, does not return for the spring semester or is otherwise not eligible for

the spring semester portion of the loan (e.g., she enrolled less than half-time, or failed to make SAP). The school does not disburse the spring portion of the loan, or it cancels a previously reported disbursement. While the academic year dates that were reported for the loan do not change, the school must report the updated loan period end date to COD to reflect that the loan no longer covers the spring semester.

Student's Enrollment Pattern	
Anticipated	Actual
Fall and Spring	Fall Only

School's Reporting to COD				
	Initial		Updated	
	Begin Date	End Date	Begin Date	End Date
<b>Loan Period</b>	August 26, 2013	May 9, 2014	August 26, 2013	December 20, 2013
<b>Academic Year</b>	August 26, 2013	May 9, 2014	No Update	No Update

Example 3: Borrower Completes Fall Semester but Withdraws During Spring Semester (All Spring Funds Returned)

Susan (from Example 1) returns for the spring semester, but withdraws after beginning attendance in that term. Based upon the school's R2T4 calculation for Susan's attendance and withdrawal in the spring, the school must return all of Susan's Direct Loan funds that are attributable to the spring semester.

Because Susan no longer received any Direct Loan funds for the spring semester, the school must update the end date of the loan period in the COD origination record to the end date of the last payment period for which she received Direct Loan funds, which was the fall semester. The loan's academic year does not change.

Student's Enrollment Pattern	
Anticipated	Actual
Fall and Spring	Fall, Withdrew in Spring

School's Reporting to COD				
	Initial		Updated	
	Begin Date	End Date	Begin Date	End Date
<b>Loan Period</b>	August 26, 2013	May 9, 2014	August 26, 2013	December 20, 2013
<b>Academic Year</b>	August 26, 2013	May 9, 2014	No Update	No Update

Note that if the R2T4 calculation results in the school returning only a portion of Susan’s Direct Loan funds for the second payment period, Susan would still have a loan disbursement for that period and the academic year and loan period would not be updated. Of course, the school must lower the loan amount based upon the results of the R2T4 calculation.

Example 4: Borrower Attends Spring Semester Only

Samuel enrolls for the spring semester only. Therefore, the school would report to COD the spring semester dates for the loan period and the fall and spring semester dates for the academic year, since the annual loan limit applies to the fall-spring scheduled academic year.

<b>Student’s Enrollment Pattern</b>	
Anticipated	Actual
Spring	Spring

<b>School’s Reporting to COD</b>				
	Initial		Updated	
	Begin Date	End Date	Begin Date	End Date
<b>Loan Period</b>	January 6, 2014	May 9, 2014	No Update	No Update
<b>Academic Year</b>	August 26, 2013	May 9, 2014	No Update	No Update

Example 5: Borrower Expected to Attend for Fall and Spring Semesters, but Begins Attendance in Spring Semester

Salim initially enrolled for the fall and spring semesters, but does not actually begin attendance until the spring semester.

<b>Student’s Enrollment Pattern</b>	
Anticipated	Actual
Fall and Spring	Spring Only

<b>School’s Reporting to COD</b>				
	Initial		Updated	
	Begin Date	End Date	Begin Date	End Date
<b>Loan Period</b>	August 26, 2013	May 9, 2014	January 6, 2014	May 9, 2014
<b>Academic Year</b>	August 26, 2013	May 9, 2014	No Update	No Update

Example 6: Borrower Initially Attends Fall and Spring Semesters and Subsequently Plans to Attend for Summer Term (Trailer)

Sandra enrolls for the fall and spring semesters. The school originates a loan with a loan period and academic year that covers the fall and spring semesters. Subsequently, the school determines that Sandra will also be attending for the summer term, which the school treats as a trailer to its scheduled academic year. Sandra has remaining Direct Loan eligibility for the summer under the annual loan limit for the academic year.

Student's Enrollment Pattern	
Anticipated	Actual
Fall and Spring	Fall, Spring, and Summer

The school has two options:

- Option 1: Originate a new loan for the summer term and extend ~~both the loan period and the~~ academic year ending date for the existing fall-spring loan to include the summer term.
- Option 2: Increase the loan amount of the existing fall-spring loan and extend both the loan period and the academic year ending dates to include the summer term.

**Option 1: Originating a New Loan**

First, the school must update the origination record for the loan that covered the fall and spring semesters to show that the academic year now covers the fall and spring semesters and the summer term. However, under this option, the school does not update the loan period dates for the fall/spring loan.

School's Reporting to COD for Fall-Spring Loan				
	Initial		Updated	
	Begin Date	End Date	Begin Date	End Date
<b>Loan Period</b>	August 26, 2013	May 9, 2014	No Update	No Update
<b>Academic Year</b>	August 26, 2013	May 9, 2014	August 26, 2013	August 1, 2014

Next, the school originates the loan for the summer term. Note that the academic year dates reported for the summer-only loan cover the fall and spring semesters, plus the summer trailer, since this is the period to which the annual loan limit applies. Of course, the loan period dates for the summer loan are only the dates of the summer term.

<b>School's Reporting to COD for Summer-Only Loan</b>				
	Initial		Updated	
	Begin Date	End Date	Begin Date	End Date
<b>Loan Period</b>	May 24, 2014	August 1, 2014	No Update	No Update
<b>Academic Year</b>	August 26, 2013	August 1, 2014	No Update	No Update

***Option 2: Extending the Academic Year and Loan Period for the Existing Loan***

In addition to increasing the loan amount, the school must report the entire loan as having both a loan period and an academic year that runs through the end of the summer term.

<b>School's Reporting to COD for Fall-Spring-Summer Loan</b>				
	Initial		Updated	
	Begin Date	End Date	Begin Date	End Date
<b>Loan Period</b>	August 26, 2013	May 9, 2014	August 26, 2013	August 1, 2014
<b>Academic Year</b>	August 26, 2013	May 9, 2014	August 26, 2013	August 1, 2014

Example 7: Borrower Attends for the Summer Term (Header) and is Expected to Enroll for Fall and Spring Semesters

Scott attends for the summer term and expects to enroll in the fall and spring semesters as well. The school treats the summer term as a header to its scheduled academic year.

<b>Student's Enrollment Pattern</b>	
Anticipated	Actual
Summer, Fall and Spring	Summer, Fall and Spring

When the school originates a Direct Loan for Scott, it has two options:

- Option 1: Originate a loan for the summer term only.
- Option 2: Originate a loan for the entire academic year, including the summer term and fall and spring semesters.

**Option 1: Originating a summer-only loan**

When the school originates the summer-only loan for Scott, it must report the loan as follows:

<b>School's Reporting to COD for Summer-Only Loan</b>				
	Initial		Updated	
	Begin Date	End Date	Begin Date	End Date
<b>Loan Period</b>	May 20, 2014	August 1, 2014	No Update	No Update
<b>Academic Year</b>	May 20, 2014	May 8, 2015	No Update	No Update

Then when the school originates a Direct Loan for the fall and spring semesters, it must report the loan as shown below. Note that under this option, the academic year begin date is the beginning date of the loan period for of the summer loan, since the annual loan limit applies to the period covered by the summer header plus the fall-spring scheduled academic year.

<b>School's Reporting to COD for Fall-Spring Loan</b>				
	Initial		Updated	
	Begin Date	End Date	Begin Date	End Date
<b>Loan Period</b>	August 25, 2014	May 8, 2015	No Update	No Update
<b>Academic Year</b>	May 20, 2014	May 8, 2015	No Update	No Update

**Option 2: Originating a loan for the full academic year**

The school should report the entire loan as having a loan period and academic year that begins at the start of the summer term and runs through the end of the spring semester.

<b>School's Reporting to COD for Summer-Fall-Spring Loan</b>				
	Initial		Updated	
	Begin Date	End Date	Begin Date	End Date
<b>Loan Period</b>	May 20, 2014	May 8, 2015	No Update	No Update
<b>Academic Year</b>	May 20, 2014	May 8, 2015	No Update	No Update

Example 8: Borrower Only Attends for Spring Semester (Borrower-Based Academic Year)

Sophie attends for the spring semester only. The school uses a borrower-based academic year for Sophie that begins with the spring semester. Because a borrower-based academic year must include the same number of terms as the school's scheduled academic year, and the school's scheduled academic year consists of the fall

and spring semesters, Sophie’s borrower-based academic year is comprised of the spring semester and the summer term, regardless of whether Sophie actually attends for the summer term.

<b>Student’s Enrollment Pattern</b>	
Anticipated	Actual
Spring	Spring

<b>School’s Reporting to COD</b>				
	Initial		Updated	
	Begin Date	End Date	Begin Date	End Date
<b>Loan Period</b>	January 6, 2014	May 9, 2014	No Update	No Update
<b>Academic Year</b>	January 6, 2014	August 1, 2014	No Update	No Update

### **CLOCK-HOUR, NON-TERM CREDIT HOUR, AND CERTAIN NON-STANDARD TERM CREDIT-HOUR PROGRAM EXAMPLES**

Although examples 9-13 below only present enrollment situations in clock-hour programs, the treatment described in these examples also applies to students enrolled in:

- (1) non-term credit-hour programs, or
- (2) non-standard term credit-hour programs that do not have terms that are substantially equal in length with no term less than 9 weeks of instructional time.

The examples in this section do not apply to students enrolled in non-standard term credit-hour programs that have terms that are substantially equal in length with no term less than 9 weeks in length. For these types of non-standard term credit-hour programs, the treatment described for standard term credit-hour programs in examples 4-42 1- 8 would apply.

Under the regulations at 34 CFR 685.301, the minimum length of a loan period for these programs is the lesser of the length of the program (or remaining portion of the program), or the academic year, unless certain exceptions outlined in the regulations apply. **IMPORTANT:** Updating a loan period to be shorter than the minimum permissible period, as shown in the examples below, is not a violation of the minimum loan period regulatory requirement, provided the original loan period reported to COD met those requirements.

Example 9: Borrower Enrolled in Clock-Hour Program That is One Academic Year in Length

Sara enrolls in a clock-hour program. The program is one academic year length, running from July 29, 2013, through January 31, 2014.

Student's Enrollment Pattern	
Anticipated	Actual
Length of Program	Length of Program

School's Reporting to COD				
	Initial		Updated	
	Begin Date	End Date	Begin Date	End Date
<b>Loan Period</b>	July 29, 2013	January 31, 2014	No Update	No Update
<b>Academic Year</b>	July 29, 2013	January 31, 2014	No Update	No Update

Example 10: Borrower Enrolled in Clock-Hour Program That is One Academic Year in Length, Withdraws Between Payment Periods

Sara (from example 9) withdraws after successfully completing the first payment period as scheduled (on October 25, 2013), prior to the beginning of the second payment period.

Because Sara did not receive any Direct Loan funds for the second payment period, the school must update the ending date of the loan period for her Direct Loan to reflect the end date of the last payment period for which she received Direct Loan funds, which was October 25, 2013.

Student's Enrollment Pattern	
Anticipated	Actual
Length of Program	Withdrew After First Payment Period

School's Reporting to COD				
	Initial		Updated	
	Begin Date	End Date	Begin Date	End Date
<b>Loan Period</b>	July 29, 2013	January 31, 2014	July 29, 2013	October 25, 2013
<b>Academic Year</b>	July 29, 2013	January 31, 2014	No Update	No Update

Example 11: Borrower Enrolled in Clock-Hour Program That is One Academic Year in Length, Withdraws During Payment Period (All Funds Returned for Payment Period)

Sara (from example 9) successfully completes the first payment period as scheduled. She continues enrollment in the second payment period, but withdraws from the program shortly thereafter. As a result of the R2T4 calculation, the school returns all of Sara’s Direct Loan funds for the second payment period.

Because Sara no longer received any Direct Loan funds for the second payment period, the school must update ending date of the loan period for her Direct Loan to reflect the end date of the last payment period for which she received Direct Loan funds, which was October 25, 2013.

<b>Student’s Enrollment Pattern</b>	
Anticipated	Actual
Length of Program	Withdrew From Second Payment Period

<b>School’s Reporting to COD</b>				
	Initial		Updated	
	Begin Date	End Date	Begin Date	End Date
<b>Loan Period</b>	July 29, 2013	January 31, 2014	July 29, 2013	October 25, 2013
<b>Academic Year</b>	July 29, 2013	January 31, 2014	No Update	No Update

Note that if the R2T4 calculation resulted in the school returning only a portion of Sara’s Direct Loan funds for the second payment period, Sara would still have a loan disbursement for that period and the academic year and loan period would not be updated. However, the school must lower the loan amount according to the R2T4 calculation.

Example 12: Borrower Enrolled in Clock-Hour Program That is Less Than One Academic Year in Length

Steven enrolls in a clock-hour program that is less than an academic year in length, running from July 1, 2013, through September 20, 2013.

<b>Student’s Enrollment Pattern</b>	
Anticipated	Actual
Length of Program	Length of Program

School's Reporting to COD				
	Initial		Updated	
	Begin Date	End Date	Begin Date	End Date
<b>Loan Period</b>	July 1, 2013	September 20, 2013	No Update	No Update
<b>Academic Year</b>	July 1, 2013	December 27, 2013	No Update	No Update

Because the program is less than an academic year in length, the school determines the end date of the academic year by determining how long it would normally take a full-time student to complete an academic year's worth of coursework. Assuming that the program defines its academic year as 26 weeks of instructional time and 900 clock hours, and assuming there are no scheduled breaks that would make calendar time different from instructional time, the end date of the academic year would be December 27, 2013, which is 26 weeks from July 1, 2013.

Example 13: Borrower Enrolled in Clock-Hour Program, Fails to Progress As Scheduled

Steven (from example 12) failed to become eligible for the second disbursement of his Direct Loan at the originally anticipated mid-point of the program because he did not complete both half of the clock hours and half of the weeks of instructional time necessary to progress to the second payment period. Instead, he required two additional weeks to complete the coursework necessary to progress to the second payment period and become eligible for the second disbursement of his Direct Loan. As a result, when the school makes the second disbursement of Steven's Direct Loan, it must extend the loan period and academic year end dates by two weeks, the amount of additional time the school expects it will take Steven to complete the program.

Student's Enrollment Pattern	
Anticipated	Actual
Length of Program, Timely Progression	Length of Program, Untimely Progression

School's Reporting to COD				
	Initial		Updated	
	Begin Date	End Date	Begin Date	End Date
<b>Loan Period</b>	July 1, 2013	September 20, 2013	July 1, 2013	October 4, 2013
<b>Academic Year</b>	July 1, 2013	December 27, 2013	July 1, 2013	January 10, 2014

Remember, while the examples do not represent all possible scenarios, they do illustrate the concept of accurate reporting or updating of a loan's academic year or loan period for the most common scenarios, and are intended to serve as a guide for other scenarios.

We will be scheduling a webinar for early June that will address the topics covered in this letter in more depth. Please monitor IFAP for further details about the webinar. Please direct any questions on any of the guidance provided in this letter to the Federal Loan School Support Team by e-mail at [dlops@ed.gov](mailto:dlops@ed.gov).

We thank schools for their cooperation in the administration of the Direct Loan Program.

Sincerely,

Jeff Baker, Director  
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