

## **TPD Loan Holder Notification File Overview**

### **Attachment to July 2014 Electronic Announcement**

In this document, we explain the “Total and Permanent Disability Loan Holder Notification File (TPD LHN File).” The TPD LHN File is used to communicate information to Federal Family Education Loan (FFEL) Program guaranty agencies, FFEL Program lenders or lender servicers, and Federal Perkins Loan (Perkins Loan) Program schools about individuals whose TPD discharge applications are received by the U.S. Department of Education (the Department) on or after July 1, 2013. This July 2014 document supersedes the TPD LHN File all previous guidance.

For ease in reading, we use “borrower” to refer to the disabled individual who applies for discharge. We refer to FFEL Program guaranty agencies, FFEL Program lenders or lender servicers, and Perkins Loan schools collectively as “loan holders.” We use “we” and “us” to refer to the Department. The Nelnet Total and Permanent Disability Servicer will continue to assist the Department in administering the TPD discharge process; we refer to the servicer by its name.

We present the information in this document as follows:

- Background
- TPD Loan Holder Notification File – Transition to Student Aid Internet Gateway (SAIG) Delivery
- TPD Loan Holder Notification File – SAIG Option for FFEL Program Guaranty Agencies, FFEL Program Lenders and Lender Servicers, and Perkins Loan Schools
- TPD Loan Holder Notification File – Layout and Reason Codes
- Contact Information

### **Background**

As explained in a previous Electronic Announcement ([May 17, 2013](#)), there is a new TPD discharge process that began on July 1, 2013, for those who apply on or after that date. The new TPD discharge process applies to all of the Title IV loan programs—William D. Ford Federal Direct Loan (Direct Loan), FFEL, and Perkins Loan—and the Teacher Education and Access to College and Higher Education (TEACH) Grant Program. Under the new process, individuals seeking a TPD discharge submit a single TPD discharge application directly to us rather than to their individual loan holders.

Throughout the new TPD discharge process, there are several points when the Nelnet Total and Permanent Disability Servicer notifies loan holders (as well as our team of federal loan servicers who assist us in the servicing of federally-owned loans and TEACH Grants) of actions the loan holder must take related to a borrower’s account. The Nelnet Total and Permanent Disability Servicer notifies loan holders of the following:

- 1) That a loan holder must suspend collection activity on a borrower’s loans for up to 120 days while the borrower completes and submits the TPD discharge application
- 2) That a loan holder must suspend collection activity on the borrower’s loans indefinitely while we review the TPD discharge application to determine whether the borrower qualifies for discharge
- 3) That the TPD discharge application was rejected, including the reason that the application was rejected
- 4) That the TPD discharge application has been approved

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- If the borrower qualifies for discharge based on a physician's certification or documentation from the Social Security Administration (SSA), our notification to loan holders provides the date of the physician's certification or the date that we received the SSA documentation. Upon receiving this notification, the borrower's loans must be assigned to us for discharge and a 3-year post-discharge monitoring period. Loan holders must return to the sender any payments that were received after the date of the physician's certification or the date that we received the SSA documentation that supported the borrower's eligibility for discharge.

After the loans have been assigned to us, and if the borrower has maintained eligibility for the discharge, we discharge the loans and notify the borrower and the loan holders that the loans have been discharged.

- If the borrower qualifies for discharge based on documentation from the Veterans Administration (VA), our notification to loan holders provides the effective date of the VA determination. Upon receiving this notification, the borrower's loan holders discharge the borrower's loans and return to the sender any payments received on or after the effective date of the VA determination that supported the borrower's eligibility for discharge.

The notifications to loan holders described above are provided in the TPD LHN File that the Nelnet Total and Permanent Disability Servicer sends to loan holders in a comma separated values (\*.csv) file.

**TPD Loan Holder Notification File – Transition to Student Aid Internet Gateway (SAIG) Delivery**

To date, FFEL Program guaranty agencies have had the option of receiving the TPD LHN File through the SAIG or via e-mail to a designated contact. FFEL Program lenders or lender servicers and Perkins Loan schools have received the notification file via e-mail to a designated contact.

We have implemented a process improvement that will allow all entities to receive the TPD LHN File via the SAIG. To do so, each entity must enroll for a new service for the appropriate Destination Point (TG number/SAIG mailbox) through the [SAIG Enrollment Web site](#). The new service is identified as the Total and Permanent Disability (TPD) Loan Holder Notification service.

FFEL Program lenders and lender servicers and Federal Perkins Loan schools can enroll for the new service via the [SAIG Enrollment Web site](#). FFEL Program guaranty agencies can also enroll for the new service via the SAIG Enrollment Web site. If a FFEL Program guaranty agency is currently receiving the TPD LHN File via the SAIG, it will need to re-enroll by adding the new service.

***Later in 2014, we plan to end the e-mail delivery option for the TPD LHN File (and, in the case of FFEL Program guaranty agencies, we will no longer use the 'Borrower Services' section for election of the TPD LHN service). As a result, we encourage all entities to enroll for the new service as soon as they are able.***

As explained below, each entity will need to take an action to ensure that the Nelnet Total and Permanent Disability Servicer knows the SAIG mailbox (TG number) to which it will send the entity's TPD LHN Files.

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**TPD Loan Holder Notification File – SAIG Option for FFEL Program Guaranty Agencies, FFEL Program Lenders and Lender Servicers, and Perkins Loan Schools**

A FFEL Program guaranty agency, FFEL Program lender or lender servicer, or Perkins school can now enroll for the new Total and Permanent Disability (TPD) Loan Holder Notification service and will be able to receive the TPD LHN File in the SAIG mailbox (TG number) it identifies to the Nelnet Total and Permanent Disability Servicer for this purpose. Each time there is new or updated borrower information to provide, the Nelnet Total and Permanent Disability Servicer will send the comma separated values (\*.csv) file to the designated SAIG mailbox (TG number) in the TPDNOTIN message class.

We strongly encourage all entities to enroll for the new Total and Permanent Disability Loan Holder Notification service for the appropriate SAIG mailbox as soon as possible. A FFEL Program guaranty agency that is currently enrolled for the SAIG “Borrower Services” service ***must re-enroll for the new TPD LHN service.***

**☑ ACTION ITEM – Enroll for Total and Permanent Disability (TPD) Loan Holder Notification Service to SAIG Mailbox via SAIG Enrollment Web Site**

Primary Destination Point Administrators (Primary DPAs) and their Secondary Destination Point Administrators (Secondary DPAs) of the Primary TG number (Destination Point/SAIG mailbox) for their organization should follow the instructions below when adding the Total and Permanent Disability Loan Holder (TPD) Notification service to a Destination Point (TG number/SAIG mailbox). Note that signature pages must be received by Federal Student Aid before the new service will be added.

1. Select the **Primary Destination Point Administrator Access** link on the [SAIG Enrollment Web site](#).
2. Enter your FSA User ID and password. Select **Login**.
3. Read and accept the Privacy Act Acknowledgment and Rules of Behavior, and complete annual security training, as required by the Access and Identity Management System (AIMS).
4. Select **Manage Your SAIG Mailboxes**.
5. Select **Modify existing services for a Destination Point**.
6. Enter the TG number for the Destination Point (TG number/mailbox) you are adding the TPD LHN Service. Select **Next**.
7. Select **Add a New Service**.
8. Select the Yes option associated with Total and Permanent Disability (TPD) Loan Holder Notification. Select **Next**.
9. Enter your Organization ID (Lender/Servicer ID or School OPE-ID). Select **Next**.
10. Select **Next** on the End of the Enrollment Form page.
11. Select **Submit Form** after verifying the information on the Final Review page.
12. Select **Next** when you are finished.
13. Select **Print Signature Pages**. After successfully printing the signature pages, close the Adobe Acrobat window to return to the signature page instructions. Select **Next**.
14. Select **OK** when asked if you successfully printed the signature pages.
15. Print the Receiving Confirmation page for your records. You will be asked for the Confirmation Stamp number if you contact CPS/SAIG Technical Support (800/330-5947 [TDD/TTY 800/511-5806], or by e-mail at [CPSSAIG@ed.gov](mailto:CPSSAIG@ed.gov)) with questions concerning your enrollment.

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16. Sign the signature pages (Step Three and Step Four) and mail them to CPS/SAIG Technical Support using the address provided in the signature page instructions. New services will be added to your TG number after the signature pages have been received.

**TPD Lender Notification File – Layout and Reason Codes**

As explained above, the TPD LHN File is a comma separated values (\*.csv) file. Each time the Nelnet Total and Permanent Disability Servicer sends the notification file to a loan holder there may be information included for one borrower or for multiple borrowers. Overall, the notification file includes 15 data fields—one field for the date the file is transmitted (field 1), six fields for borrower matching criteria (fields 2 – 7), and eight fields for reason code and application status information (fields 8 – 15).

The first time the Nelnet Total and Permanent Disability Servicer includes a borrower's information in the TPD LHN File, the servicer will populate the date field, the borrower matching criteria fields, the reason code field, and the applicable application status information fields. After the initial notification, each subsequent time the Nelnet Total and Permanent Disability Servicer includes the borrower's information in the TPD LHN File, there will be a new date in the date field, no changes in the borrower matching criteria fields, and changes only in the reason code and application status information fields.

Every time the Nelnet Total and Permanent Disability Servicer includes a borrower's information in the TPD LHN File, there will be an entry in the Reason Code field (field 8). One of five reason codes will be populated in this field to inform the loan holder of actions that must be taken related to the borrower's account.

The TPD LHN File reason codes are as follows:

<b><i>Reason Code</i></b>	<b><i>Reason for Notice</i></b>	<b><i>Regulatory Basis</i></b>
120SUSP	Instructs loan holders to suspend collection activity for 120 days	34 CFR 674.61(b)(2)(ii)(C) 34 CFR 674.61(c)(2)(ii)(C) 34 CFR 682.402(c)(2)(ii)(C) 34 CFR 682.402(c)(9)(ii)(C)
INDEFSUSP	Instructs loan holders to suspend collection activity indefinitely, while the Department reviews the borrower's TPD Discharge application	34 CFR 674.61(b)(2)(viii) 34 CFR 674.61(c)(2)(viii) 34 CFR 682.402(c)(2)(vii) 34 CFR 682.402(c)(9)(viii)
APPAPPR	Notifies loan holders that a TPD Discharge application has been approved	34 CFR 674.61(b)(3)(iii) 34 CFR 674.61(c)(3)(i) 34 CFR 682.402(c)(3)(iii) 34 CFR 682.402(c)(9)(x)
APPREJ	Notifies loan holders that a TPD Discharge application has been rejected	34 CFR 674.61(b)(3)(vi) 34 CFR 674.61(c)(3)(iii) 34 CFR 682.402(c)(3)(v) 34 CFR 682.402(c)(9)(xi)

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DISCRG	Notifies loan holders that the federal student loan(s) that was assigned to the Department on the basis of an approved TPD Discharge application has been discharged	34 CFR 674.61(b)(3)(v) 34 CFR 682.402(c)(3)(iv)
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The complete TPD LHN File layout, including Field Number, Field Name, Max Length, Type, Required Field, Value, and Business Rule information, is provided in the second attachment to our July 2014 announcement titled “TPD Loan Holder Notification File Layout.”

**Contact Information**

We appreciate the financial aid community’s participation in our implementation of the new TPD discharge process. Please continue to monitor the [IFAP Web site](#) for subsequent Electronic Announcements in the “TPD Discharge Information” series.

For assistance with TPD LHN File issues, direct your questions to our contact centers as follows:

- If you need assistance with enrolling for the new Total and Permanent Disability (TPD) Loan Holder Notification service to your SAIG mailbox, contact CPS/SAIG Technical Support at 800/330-5947 [TDD/TTY 800/511-5806], or by e-mail at [CPSSAIG@ed.gov](mailto:CPSSAIG@ed.gov).
- If you need assistance with the TPD Lender Notification File, contact the Nelnet Total and Permanent Disability Servicer as outlined on the [Total and Permanent Disability Discharge and Veterans Disability Discharge Contact Information page](#).