



**United States Department of Education
Office of Student Financial Assistance Programs
National Student Loan Data System**

**Guaranty Agency Loan Status Codes
Technical Update GA-2000-09
October 31, 2000**

This information is intended for the person in your organization who is responsible for working with NSLDS. If that is not you, please forward this update to the appropriate person.

The purpose of this technical update is to provide you with additional information on the changes being made to loan status codes and to share with you the technical update being sent to lenders and lender servicers. You should review the implementation plan below and the notice to lenders.

On June 30, 2000, we issued a technical update explaining the changes being made to loan status codes and included tables showing the new and changed codes. Since then, questions have surfaced regarding the implementation of the new codes. Following is the implementation plan:

Implementation Plan	
Date	Activity
12/31/2000	Raytheon completes NSLDS system changes to accept new loan status codes.
1/1/2001	GAs <i>may</i> start to report new loan status codes.
7/1/2001	<p>GAs <i>must</i>:</p> <ul style="list-style-type: none">• Be ready to accept new loan status codes from lenders/lender servicers• For lender held loans, report new codes to NSLDS if the new codes are provided by lender/lender servicer• For GA held loans, report new codes to NSLDS where the loan status effective date is on or after 7/1/2001 <p>Existing loan status codes <i>may</i> continue to be used on GA held loans where the loan status effective date is before 7/1/2001.</p>
7/1/2001	<p>Lenders/lender servicers <i>may</i> start to report new loan status codes to GAs.</p> <p>(Note: Lenders/lender servicers may report earlier if mutually agreed to by GA and lender/lender servicer.)</p>
1/1/2002	Lenders/lender servicers <i>must</i> report new loan status codes to GAs where the loan status effective date is on or after 1/1/2002. Existing loan status codes <i>may</i> continue to be used where the loan status effective date is before 1/1/2002.

We encouraged the lenders and servicers to begin using the new codes as soon as GAs are prepared to accept them. So we encourage you to contact the lenders and servicers directly when you can begin receiving the new codes from them.

When Should the New Loan Status Codes Be Used?

The key date used to determine when the new codes must be reported is based on the Date of Loan Status. A loan whose status remains unchanged after the implementation date for the new codes may continue to be reported with the old codes until a change in the status for that loan occurs. After the implementation date, any change in status for that loan must be reported with the new loan status codes.

If the loan status changes on or after July 1, 2001, on a GA held loan, the GA must report the new codes. For example, a loan changes from RP to defaulted, unresolved (was DU, now DF) on July 12, 2001. The DF code with the July 12, 2001, date must be reported. If there is *no* change in a loan's status, even on or after July 1, 2001, you do not need to change the loan status to a new code even if the old code is being retired. However, we encourage you to report the new code if you can. For example, if the loan remains in a DU status (which is replaced by DF), you do not need to report DF after July 1, 2001. You can keep the loan in a DU status. However, if the loan status changes on or after July 1, 2001, to another status, such as DN, you must use the new code to report the status change and the date the new status became effective. For lender held loans, the new codes must be used starting January 1, 2002. (Refer to lender technical update.)

To further explain the requirements, additional examples are listed below:

Loan Status Code	Loan Status Date	Actions
ID	9/1/1998	Prior to 1/1/2002, lender may continue to report ID. Optionally, lender may report a loan in IA (after 7/1/2001) if the student is still in school and use the date of guaranty as the effective date of the status. If loan enters grace on 2/1/2002, lender must report IG with an effective date of 2/1/2002.
ID/IA	8/15/2000	Lender may report IA with an effective date of 8/15/2000. Alternatively, lender may report ID if the effective date is before January 1, 2002.
IG	1/15/2002	Loan moves into grace period. Lender must report IG with an effective date of 1/15/2002.
PC/PN	2/1/2002	A non-defaulted loan is consolidated on 2/1/2002. Lender must report PN with an effective date of 2/1/2002.
UB	2/13/2002	Loan loses insurance on 2/13/2002. Lender must report UB with an effective date of 2/13/2002.
PC/DN	9/1/2001	A defaulted loan is consolidated on 9/1/2001. GA must report DN with an effective date of 9/1/2001.
DU	8/3/2000	GA may continue to report DU until the loan status code changes regardless of how long it takes before moving into another status (e.g., DP).

Loan Status Code	Loan Status Date	Actions
DF	7/15/2001	A loan entered default on 7/15/2001. GA must report DF (rather than DU) with an effective date of 7/15/2001 when the default is reported to NSLDS.
CS	8/22/2001	A loan is paid off via a closed school discharge. GA must report CS (rather than PF) with an effective date of 8/22/2001 when the paid status is reported to NSLDS.

NSLDS is on track to make the necessary system changes to implement the new codes by January 1, 2001. You are encouraged to begin using the new codes at that time rather than waiting until July. Alternatively, you may implement the new codes selectively. For example, report loans in a DR or AL status to clean up older loans.

Lender/Lender Servicer Technical Update

Included with this technical update is a copy of the technical update sent to lenders and lender servicers and a table showing the changes to loan status codes that affect their reporting. These codes were included in the table sent to you earlier. The lender update is provided for your information and to assist you in answering questions from the lender community.

More Frequent Reporting of Balances by Lenders to GAs

NSLDS is used for many functions. Some of these functions, such as determining student eligibility, are dependent on having timely updates of loan data. We applaud the community's efforts to develop and implement the new Common Account Maintenance (CAM) transactions to provide more timely data exchange between the lender and GA community. The lender and GA community is strongly encouraged to update loan data, including balances, at least monthly. Schools in particular have requested the more frequent updates. Some major lenders and lender servicers have already begun reporting monthly and we have seen positive results from the more frequent updates. In summary, ED is strongly encouraging lenders and servicers to work with the GAs to begin reporting monthly. Similarly, GAs are encouraged to report updated balances to NSLDS on a monthly basis.

*If you have any questions call Ron Bennett at (703) 560-5000 ext. 3583
or email rbennett@fallschurch.esys.com.*