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

Loan Status Code Update
Technical Update GA-2001-08
October 17, 2001

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.

This technical update is being distributed to help clarify NSLDS loan status codes and how to change a name from history to current within NSLDS. The attached tables with updates are included for your convenience.

AL—Abandoned Loan

A student *is* eligible for additional aid if his/her loan is in an AL loan status. In addition, the GA must populate the loan's outstanding principal balance using the following preferential order:

1. Last reported outstanding principal balance, if available
2. Total amount disbursed
3. Net Guaranty (Guaranty Amount minus Total Cancellations)

Neither the AL nor PM (Presumed Paid in Full) loan status codes can be used if a claim was paid and the loan has not been repurchased.

IA—Loan Originated
IG—In Grace Period
IM—In Military Grace

In redesigning the loan status codes, it was agreed that the loan status code date should never be prior to the guaranty date. Conceptually, this is a departure from previous editing by NSLDS for some of the loan status codes such as ID where the enrollment period begin date could be used as the loan status date. In this example, the NSLDS system permitted the loan status date to be prior to the guaranty date.

Nonetheless, after careful consideration of community comments, NSLDS is committed to the concept that a loan cannot have a status prior to its guaranty date because the status is associated with the loan and not the student.

As a result, Guaranty Agencies should, where necessary, set the date according to updated instructions in the loan status code table provided in this Technical Update. In cases where the loan status date could be interpreted to be set prior to the guaranty date, the GA must set the loan status code date equal to the guaranty date. In addition, in cases where the loan is in an IA status and subsequently goes into grace (IG), and then the borrower returns to school prior to completing the full grace period, the loan should return to an IA status with the original loan status date.

An exception to this rule is when the loan is in an IM, in military grace, and the borrower subsequently returns to school after completing his/her active duty, the GA must set the loan status date for the IA status to the day the student re-enrolls. (NSLDS is working on the implementation of this edit change.) See examples below:

Loan Status Code	Loan Status Date	Borrower Activity
Example 1		
IA	09-30-2001 (Equals Date of Guaranty)	Student is enrolled and receiving loan (Guaranty Date = 09-30-2001).
IG	06-01-2002 (Day after student ceases to be enrolled at least ½ time)	Student ceases to be enrolled at least ½ time (05-31-2002) and enters grace period (06-01-2002).
IA	09-30-2001 (Equals Date of Guaranty)	Student returns to school on 09-01-2002.
Example 2		
IA	09-30-2001 (Equals Date of Guaranty)	Student is enrolled and receiving loan (Guaranty Date = 09-30-2001).
IM	02-28-2002 (Student called to active duty)	Date student begins active duty 02-28-2002.
IA	08-31-2002 (Student re-enrolls after active duty service)	Date student re-enrolls into school 08-31-2002.

UA—Temporarily Uninsured, Loan not in Default
UB—Temporarily Uninsured, Loan in Default
UC—Permanently Uninsured/Unreinsured, Loan not in Default
UD—Permanently Uninsured/Unreinsured, Loan in Default

The following table provides examples of when UA, UB, UC, and UD loan status codes should be used under various circumstances. The borrower maintains eligibility for federal student aid with all uninsured statuses.

Code	Example
UA	• In cases where it has been identified that there has been a violation or gap in due diligence, the UA loan status code should be used during the period in which the loan is uninsured but curable. • Any loan that has a violation or gap in due diligence that the lender is aware of and is attempting to cure. This includes loans that are between 1 and 270 days of delinquency. • For uninsured loans with a BC–Bankruptcy, Chapter 13 or BO–Bankruptcy, Other claim reason code where a claim has been requested and denied by the guarantor or the claim *could* be requested but the lender knows that the guarantor will deny the claim as a result of a violation.
UB	• In cases where the lender *could* have requested a default claim and the lender is already aware of the violation and knows that the guarantor will deny the claim. • In cases where the lender has requested a default claim and the guarantor has denied the claim because of due diligence violations or gaps.
UC	• For loans that were previously in a UA status that were not cured within 3 years from when a claim (BK, BO) could have been timely filed. • For loans that were previously in a UA status that were not cured within 3 years from when a claim (BK, BO) was filed and denied by the guarantor. • Death or Disability claims with a violation or gap in due diligence. • Any loan having a violation or gap in due diligence, previously in a UA status, that the lender did not cure within 3 years
UD	• For loans that were previously in a UB status that were not cured within 3 years from when a default claim (DF) could have been timely filed (lender held) • For loans that were previously in a UB status that were not cured within 3 years from when a default claim (DF) was filed and denied by the guarantor (lender held) • For loans that a Guaranty Agency paid a default claim to lender and the loan is permanently un-reinsured. (guaranty agency held)

XD—Defaulted, Six Consecutive Payments

In order for a GA to set the loan status of XD—Defaulted, Six Consecutive Payments, the borrower must have *requested reinstatement of eligibility* after having *voluntarily* made six-consecutive payments. Each loan can only have the XD status once in the life of the loan. If the borrower subsequently fails to make a payment based on the agreement made between the borrower and the guarantor, the GA must update the loan status to DZ.

AE—Loan Transferred

NSLDS is requesting that Guaranty Agencies not use the AE loan status code in efforts to resolve potential subrogation issues dated prior to the agencies' implementation of the AE loan status. The AE

loan status should be used for loans being transferred from one agency to another (including DCS) only if the transfer date is after the agencies implementation date. Other subrogation clean-up issues should be addressed with Margaret Parmerlee by email at Mparmerlee--nr@raytheon.com or phone at (801) 681-6218.

Furthermore, the GA must conform to the following edits and business rules:

- GA should only use the AE loan transfer code when they have received confirmation from the receiving agency that they have agreed to take the loan.

- Loans reported with loan activity after the AE loan status date will receive error 724 (AE Loan Status, Dt must be > than other loan activity dates).

- NSLDS has added error 725 (AE status date must be >= 11/1/1994) that will not permit the AE loan status date to be prior to 11/01/1994.

- When using the transfer status code, the GA must also report the GA code the loan is being transferred to in the code for servicer field (field 088 as 000XXX where XXX equals the guaranty agency code).

- The date of servicer responsibility, field 150, must be set equal to the loan status effective date for the AE loan transfer code.

Changing a Name from History to Current Within NSLDS

A number of agencies have experienced trouble updating NSLDS so that a name that displays in a student's history is updated appropriately within NSLDS to display as the student's current name.

When reporting to NSLDS make sure that both old and new identifier fields (all 60 bytes) are populated with the same data. If necessary, make sure the person's 'last' name (which is not an identifier) that you think is correct (displaying in NSLDS history) is the same as the person's 'last' name being provided on the submittal record. Populating both old and new identifier fields with the same data signifies to NSLDS that you are changing a name currently in history to be the borrowers current name. After a successful submission, you'll see that the borrower's name is being correctly displayed on the NSLDS Web site.

If you have any questions, please contact the NSLDS Customer Service Center at (800) 999-8219,or e-mail them at nsldscoe@raytheon.com.