Attachment 1: Computational Logic for AMF/LPIF

AMF Computational Logic:

AMF is paid on the sum of net guarantees (Amount of Guaranty minus Total Cancellations) for loans in good standing at the end of the current fiscal year for all FFEL loan types. NSLDS uses the following logic to determine which loans should be extracted from the system and the corresponding net guaranty included in the calculation. The following steps are used in the selection process:

1) Loans that have had the Outstanding Principal Balance updated within the last 4 ½ years are selected for further evaluation. The 4-½ years is calculated from 7/1/CCYY prior to the current calculation date (typically 45 days after the end of the fiscal year). For the FY 2001 AMF calculation the cutoff date was 7/1/1997. Loans that did not have an Outstanding Principal Balance Date on or after 7/1/1997 were not included in the AMF Calculation.
2) The current status for loans selected in step 1 must be in IA, IM, IG, ID, DA, FB or RP (good standing) as of the end of the fiscal year.
3) For those loans in good status, NSLDS checks to see that there is no claim payment date prior to the end of the fiscal year that is later than the loan status effective date for the corresponding status in Step 2. If a claim payment has been made at a date later than the loan status date as of the fiscal year end and there is no repurchase date prior to the fiscal year end yet later than the claim payment date, then the loan is not selected.
4) For loans with a current loan status (other than good standing – Step 2) as of the fiscal year end NSLDS looks checks for a current repurchase date as of the fiscal year end that is later than the current claim payment date as of the fiscal year end. If a repurchase date does exist, the loan is selected even though the loan status, as of the fiscal year end, is not one of good standing.
5) The sum of the guarantee for all loans extracted as a result of steps 1 through 4 are included in the AMF calculation.

Note: Steps 3 and 4 are used to identify loans that are potentially in good standing and an agency has not yet updated the loan status. These steps can also identify loans that appear to be in good standing according to the loan status code yet data exists within NSLDS to suggest otherwise. All the data used for steps 1 through 4, determine whether or not the loan was in good standing at the end of the fiscal year.

LPIF Computational Logic:

LPIF is paid on SF, SU, and PL loan types' quarterly disbursement activity. If there is an increase in the total amount disbursed on the loan from the prior reporting period then the LPIF payment will be increased accordingly. If there is a decrease in the total amount disbursed on the loan from the prior reporting period then the LPIF payment will be decreased accordingly. NSLDS uses the following logic to determine which loans should be extracted from the system and the corresponding disbursement activity used in the calculation. The following steps are used in the extraction process:

1) Loan's with guaranty date on or after 10/01/1999 and on or before MM/DD/CCYY* are evaluated further for extraction.
2) Loans where the guarantor has responsibility for the loan on the date of disbursement are extracted.
3) Is the most recent disbursement date after MM/DD/CCYY*?
   - If yes, extract loan—Use sum of disbursement amounts made on or before MM/DD/CCYY* for LPIF calculation.
   - If no, extract loan—Use cumulative disbursement amount on the latest disbursement record for LPIF calculation.
4) NSLDS compares the total disbursement activity on the loan at the end of the current period to the total disbursement activity on the loan at the end of the prior period. The positive or negative difference is used in the LPIF calculation.
   - If total disbursement activity on the loan as of the current period end is $2000 and the total disbursement activity as of the prior period end was $700, then $1300 of activity will be used in the current period LPIF calculation.
   - If total disbursement activity on the loan as of the current period end is $1500 and the total disbursement activity as of the prior period end was $2000, then -$700 will be used in the current period LPIF calculation.

Note: Disbursements from prior periods reported to NSLDS in the current period will be included in the calculation as long as the guaranty date of the loan is on or after 10/1/1999. NSLDS maintains a "snapshot" of cumulative disbursement activity on all loans by guarantor from the prior period to use in the current period calculation/comparison process.

*MM/DD/CCYY is adjusted based on the year and quarter. For example, for LPIF calculated for FY 2002:

If the quarter is…	The MM/DD/CCYY is…
1	12/31/2001
2	03/31/2002
3	06/30/2002
4	09/30/2002