



**United States Department of Education
Office of Federal Student Aid
National Student Loan Data System**

**NSLDS Guaranty Agency
Monthly Reasonability
Technical Update GA–2004–07**

September 30, 2004

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

Monthly Reasonability

As part of Federal Student Aid's (FSA's) continued program management efforts additional reasonability will be performed comparing selected Guaranty Agency Financial Report (GAFR) Monthly Items to loan record data provided to the NSLDS. Monthly Reasonability will enhance the current Quarterly Federal Receivables process in the following manner:

- Incorporate the current federal receivables calculation into the new Monthly Reasonability process and conduct the calculation on a monthly basis.
- Expand calculation to include Monthly Reasonability items summarizing the reinsurance claims, lender default claims, collection, and treasury offset activity.
- Create a report that can compare NSLDS summarized data to GAFR data using flexible comparison parameters (i.e., single month, quarter, annual) to distribute to Guaranty Agencies and ED staff.
- Provide backup detail that substantiates NSLDS summarized numbers on an as needed basis.

FSA and NSLDS staff collaborated with the National Council on Higher Education Loan Programs' (NCHELP) Forms 2000 and Common Definitions Workgroups to analyze the monthly data that was comparable, the logic to use in the comparisons, as well as, changes to reporting instructions that would aid in the overall improvement to FFEL reporting and improve the comparability of data over time. NSLDS will begin the Monthly Reasonability process using Fiscal Year (FY) 2004 data. NSLDS will calculate the first 11 months of comparison data for FY 2004 as part of the Monthly Reasonability implementation using the calculation logic described in Attachment A: GAFR Line Item/Monthly Reasonability/Federal Receivables Comparison Chart. Subsequently, approximately 37 days after the end of each month, NSLDS will calculate and store the summary numbers to compare to the GAFR.

On a quarterly, annual, or as needed basis, a Monthly Reasonability report will be generated and distributed to GA and FSA personnel who have an invested interest in the results. Attachment B provides examples of the two-page report. GAs will have the opportunity to request, as needed, the backup details to substantiate the NSLDS summarized numbers to use in researching questionable variances between NSLDS summarized data and the data used to report on the GAFR. GAs will have the opportunity to request line-item specific data that will be distributed according to the file specifications provided in Attachment C: Monthly Reasonability Backup Detail File Specifications and Attachment D: Federal Receivables Backup Detail File Specifications. Backup details can be requested by contacting NSLDS Customer Service via phone or email. These items are only available via SAIG; there are no options for tape or cartridge. The messages classes are GAFEDROP (Federal Receivables Detail) and GAMONROP (Monthly Reasonability Detail).

NSLDS is excited to bring this enhanced monitoring functionality to the FFEL community and the first Monthly Reasonability report for the complete 2004 Fiscal Year will be emailed to the NSLDS primary contract for your agency around December 2004.

This update includes the following attachments:

Attachment A: GAFR Line Item/Monthly Reasonability/Federal Receivables Comparison Chart

Attachment B: Sample Monthly Reasonability Reports

Attachment C: Monthly Reasonability Backup Detail File Specifications

Attachment D: Federal Receivables Backup Detail File Specifications

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