

Attachment C

Annual Reasonability Computational Logic

NSLDS Annual Reasonability is designed to compare the loan-level detail reported to NSLDS and the aggregated loan data reported on the Guaranty Agency Financial Report (GAFR). In order to accurately account for the loan-level detail on NSLDS, NSLDS performs two types of calculations on the NSLDS database: Quarterly Calculations and Yearly Calculations.

Quarterly Calculations

Sixty days after the end of each fiscal quarter, NSLDS extracts all loans from the NSLDS database that meet the following GAFR line item requirements:

1. Loan Guaranty (AR-1 and AR-3)
2. Loan Cancellation (AR-2 and AR-4)
3. Loans Transferred In (AR-6)
4. Loans Transferred Out (AR-7)
5. Default Claims Paid (AR-8)
6. Death and Disability Claims Paid (AR-10)
7. Closed School/False Certification Claims Paid (AR-11)

For each activity above, NSLDS extracts all loans for the GA that meets the requirements. The current quarter's extract is compared to the previous quarter's extract at the loan-level. The difference between the two files is summarized, capturing all of the loan activity not previously captured, representing current quarter activity as well as prior period activity that had not been previously reported. This process continues for each quarter.

When the Annual Reasonability reports are produced, NSLDS adds each of the four quarters' summary amounts for the fiscal year to equal the Amount from NSLDS displayed on the report.

Yearly Calculations

Sixty days after the end of each fiscal year, NSLDS extracts all loans from the NSLDS database that meet the following GAFR line item requirements:

1. Loans Paid in Full (AR-12)
2. Interim Loans (AR-13)
3. Federal Default Fee (AR-19)

For each activity above, NSLDS extracts all loans that meet the requirements for the line item. For AR-12, NSLDS calculates the total amount of loans paid in full for the GA. The amount on the report is the total value calculated in the current fiscal year minus the total amount calculated for the prior fiscal year. For AR-13, the amount on the report is

the total value of interim loans as of the end of the current fiscal year. For AR-19, NSLDS calculates the total amount of disbursements for the GA. The amount on the report is the total value calculated in the current fiscal year minus the total value calculated in the prior fiscal year, which represents the total amount of disbursements attributed to the current fiscal year. The resulting total amount disbursed for the fiscal year is multiplied by the 1 percent default fee and is the value on the Annual Reasonability report.

GAFR Line Item Logic

For most line items, the amount reported on the GAFR is the agency cumulative total. The value represented on the Annual Reasonability Report is the difference between your current annual reported amount for the line item minus the amount for the same line item reported the previous year. It is this difference amount that is compared to the values calculated by NSLDS, representing the equivalent, summarized loan-level information. The exceptions are the line items which the GA reports an “as of” amount for the fiscal year such as AR-13, Interim Loans.

NSLDS Line Item Logic

The Annual Reasonability reports will include the GAFR line items calculated according to the following chart; however, adjustments for prior calculated quarters and previous fiscal years will need to be taken into consideration. **B**ecause the comparison is made at the loan-level, adjustments to amounts and dates that affect the individual activities will reflect in the totals on the report and the loan activity in the back-up detail. If amounts change (positive or negative) after a calculation has occurred, the difference amount between the original calculation and the next calculation will be included with the next calculation’s summary totals and back-up detail. The same holds true if dates move forward or backwards, such as claim paid dates.

The computation logic chart provides the key fields that are used in the computation for each NSLDS calculated value.

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GAFR Line Item	NSLDS Source Attributes from DPI	Description
AR-1 Loan Guaranty	Amount of Guaranty Date of Guaranty Type of Loan Code for Guaranty Agency	Total Amount of Guaranty for FFEL Subsidized, Unsubsidized, and PLUS loans guaranteed during the fiscal year.
AR-2 Loan Cancellation	Amount of Cancellation Date of Cancellation Type of Loan Code for Guaranty Agency	Total Amount of Cancellation (partial or whole) for FFEL Subsidized, Unsubsidized, and PLUS loans where the cancellation occurred during the fiscal year.
AR-3 Loan Guaranty	Amount of Guaranty Date of Guaranty Type of Loan Code for Guaranty Agency	Total Amount of Guaranty for FFEL Consolidation loans guaranteed during the fiscal year.
AR-4 Loan Cancellation	Amount of Cancellation Date of Cancellation Type of Loan Code for Guaranty Agency	Total Amount of Cancellation (partial or whole) for FFEL Consolidation loans where the cancellation occurred during the fiscal year.
AR-6 Loans Transferred In	Amount of Guaranty Date of Guaranty Date Loan Guaranty Transferred Type of Loan Code for Guaranty Agency	Total Amount of Guaranty for all FFEL loans transferred from another active Guaranty Agency to your Guaranty Agency during the fiscal year.
AR-7 Loans Transfer Out	Amount of Guaranty Date of Guaranty Date Loan Guaranty Transferred Type of Loan Code for Guaranty Agency	Total Amount of Guaranty for all loans transferred to another active Guaranty Agency from your Guaranty Agency where the transfer occurred during the fiscal year.

GAFR Line Item	NSLDS Source Attributes from DPI	Description
AR-8 Default Claims Paid	Amount of Claim Paid to Lender Date Claim Paid Claim Reason for Lender Claim Type of Loan Amount Repurchased Date Repurchased Amount of Refund from Lender on Claims Date of Refund from Lender on Claims Code for Guaranty Agency	Total Amount of Default Claims Paid to Lender minus Amount Repurchased minus Amount of Refund from Lender on Claims. Includes Default ('DF') and Exempt ('EX') claim types. Note: NSLDS does not collect a specific Claim Type associated with each reported Repurchase or Claim Refund from Lender. The Repurchase and/or Claim Refund must follow the Claim Payment in order to be associated with the Claim Payment in question.
AR-10 – Death and Disability Claims Paid	Amount of Claim Paid to Lender Date Claim Paid Claim Reason for Lender Claim Type of Loan Amount Repurchased Date Repurchased Amount of Refund from Lender on Claims Date of Refund from Lender on Claims Code for Guaranty Agency	Total Amount of Claim Paid to Lender minus Amount Repurchased minus Amount of Refund from Lender on Claims. Includes Death ('DE') and Disability ('DI') claim types. Note: NSLDS does not collect a specific Claim Type associated with each reported Repurchase or Claim Refund from Lender. The Repurchase and/or Claim Refund must follow the Claim Payment in order to be associated with the Claim Payment in question.

GAFR Line Item	NSLDS Source Attributes from DPI	Description
AR-11 – Closed School/False Certification Claims Paid	Amount of Claim Paid to Lender Date Claim Paid Claim Reason for Lender Claim Type of Loan Amount Repurchased Date Repurchased Amount of Refund from Lender on Claims Date of Refund from Lender on Claims Code for Guaranty Agency	Total Amount of Claim Paid to Lender minus Amount Repurchased minus Amount of Refund from Lender on Claims. Includes Closed School ('CS') False Certification ('FC') claim types. Note: NSLDS does not collect a specific Claim Type associated with each reported Repurchase or Claim Refund from Lender. The Repurchase and/or Claim Refund must follow the Claim Payment in order to be associated with the Claim Payment in question.
AR-12 – Loans Paid in Full	Amount of Guaranty Code for Loan Status Type of Loan Amount of Cancellation Date of Cancellation Code for Guaranty Agency	Total Amount of Guaranty minus the total Amount of Cancellation for loans reported in a Paid in Full Status. Includes Paid in Full ('PF'), Paid in Full through Consolidation ('PC', 'PN') and Presumed Paid in Full ('PM') loan statuses.
AR-13 – Interim Loans	Amount of Guaranty Code for Loan Status Type of Loan Amount of Cancellation Date of Cancellation Code for Guaranty Agency	Total Amount of Guaranty minus the total Amount of Cancellation for loans that were in an Interim Loan as of the fiscal year end. Includes Loan Originated ('IA'), In School or Grace Period ('ID'), In Grace ('IG'), and In Military Grace ('IM') loan statuses.
AR-19 – Federal Default Fee	Date of Guaranty Date of Disbursement Amount of Disbursement	1% of the total Amount of Disbursement that occurred during the fiscal year for all FFEL loans that have a Guaranty Date on or after July 1, 2006.

Note: Computational Logic was updated February 15, 2007, for the addition of the Federal Default Fee.