The National Student Loan Data System (NSLDS) has been modified to accept a new loan status code for Federal Family Education Loan (FFEL) Program loans that have been discharged due to disability based on documentation provided from the U. S. Department of Veterans Affairs.

New Loan Status Code – VA

The Higher Education Opportunity Act (HEOA), Pub. L. 110-315, enacted on August 14, 2008, made changes to the Higher Education Act (HEA) to establish a separate process for determining a disability discharge for totally and permanently disabled veterans. A veteran borrower will be considered disabled for this discharge if the borrower provides documentation from the Department of Veterans Affairs showing that the veteran has been determined to be totally and permanently disabled and unemployable due to a service-connected condition. Unlike the standard disability process there is no post-discharge monitoring period for the eligible veteran.

NSLDS will use "VA" as the Loan Status Code (Field Code 063) for Guaranty Agencies (GAs) to report a loan discharged based on the Department of Veterans Affairs documentation of eligibility. The new VA loan status code will be available for both batch loan submittals and online loan updates. Loans reported with a VA loan status must be reported with a zero balance and will be considered closed. The updated Loan Status Codes page of Table B-10 is attached.

NSLDS is ready to receive the new status code as of March 21, 2010. GAs may begin reporting either online or through batch submittal at this time. All agencies are required to use this loan status by January 1, 2011.

Attachment A: GA DPI Appendix B, Loan Status Codes change page

If you have any questions, please contact the NSLDS Customer Support Center at 800/999-8219 or by e-mail at NSLDS@ed.gov.